

**FOREIGN  
RELATIONS  
OF THE  
UNITED  
STATES**

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**1977–1980**

**VOLUME XXVIII**

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**ORGANIZATION AND  
MANAGEMENT OF  
FOREIGN POLICY**



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**DEPARTMENT  
OF  
STATE**

**Washington**



**Foreign Relations of the  
United States, 1977–1980**

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**Volume XXVIII**

**Organization and  
Management  
of Foreign Policy**

*Editor*                      Melissa Jane Taylor  
*General Editor*        Adam M. Howard

DEPARTMENT OF STATE  
OFFICE OF THE HISTORIAN  
BUREAU OF PUBLIC AFFAIRS

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# About the Series

The *Foreign Relations of the United States* series presents the official documentary historical record of major foreign policy decisions and significant diplomatic activity of the U.S. Government. The Historian of the Department of State is charged with the responsibility for the preparation of the *Foreign Relations* series. The staff of the Office of the Historian, Bureau of Public Affairs, under the direction of the General Editor of the *Foreign Relations* series, plans, researches, compiles, and edits the volumes in the series. Secretary of State Frank B. Kellogg first promulgated official regulations codifying specific standards for the selection and editing of documents for the series on March 26, 1925. These regulations, with minor modifications, guided the series through 1991.

Public Law 102-138, the Foreign Relations Authorization Act, established a new statutory charter for the preparation of the series which was signed by President George H.W. Bush on October 28, 1991. Section 198 of P.L. 102-138 added a new Title IV to the Department of State's Basic Authorities Act of 1956 (22 U.S.C. 4351, et seq.).

The statute requires that the *Foreign Relations* series be a thorough, accurate, and reliable record of major U.S. foreign policy decisions and significant U.S. diplomatic activity. The volumes of the series should include all records needed to provide comprehensive documentation of major foreign policy decisions and actions of the U.S. Government. The statute also confirms the editing principles established by Secretary Kellogg: the *Foreign Relations* series is guided by the principles of historical objectivity and accuracy; records should not be altered or deletions made without indicating in the published text that a deletion has been made; the published record should omit no facts that were of major importance in reaching a decision; and nothing should be omitted for the purposes of concealing a defect in policy. The statute also requires that the *Foreign Relations* series be published not more than 30 years after the events recorded. The editors are convinced that this volume meets all regulatory, statutory, and scholarly standards of selection and editing.

## *Sources for the Foreign Relations Series*

The *Foreign Relations* statute requires that the published record in the *Foreign Relations* series include all records needed to provide comprehensive documentation of major U.S. foreign policy decisions and significant U.S. diplomatic activity. It further requires that government agencies, departments, and other entities of the U.S. Government en-

gaged in foreign policy formulation, execution, or support cooperate with the Department of State historians by providing full and complete access to records pertinent to foreign policy decisions and actions and by providing copies of selected records. Most of the sources consulted in the preparation of this volume have been declassified and are available for review at the National Archives and Records Administration (Archives II), in College Park, Maryland.

The editors of the *Foreign Relations* series have complete access to all the retired records and papers of the Department of State: the central files of the Department; the special decentralized files ("lot files") of the Department at the bureau, office, and division levels; the files of the Department's Executive Secretariat, which contain the records of international conferences and high-level official visits, correspondence with foreign leaders by the President and Secretary of State, and the memoranda of conversations between the President and the Secretary of State and foreign officials; and the files of overseas diplomatic posts. All of the Department's central files for 1977–1981 are available in electronic or microfilm formats at Archives II, and may be accessed using the Access to Archival Databases (AAD) tool. Almost all of the Department's decentralized office files covering this period, which the National Archives deems worthy of permanent retention, have been transferred to or are in the process of being transferred from the Department's custody to Archives II.

Research for *Foreign Relations* volumes is undertaken through special access to restricted documents at the Jimmy Carter Presidential Library and other agencies. While all the material printed in this volume has been declassified, some of it is extracted from still-classified documents. The staff of the Carter Library is processing and declassifying many of the documents used in this volume, but they may not be available in their entirety at the time of publication. Presidential papers maintained and preserved at the Carter Library include some of the most significant foreign-affairs related documentation from White House offices, the Department of State, and other federal agencies including the National Security Council, the Central Intelligence Agency, the Department of Defense, and the Joint Chiefs of Staff.

Some of the research for the volumes in this subseries was done in Carter Library record collections scanned for the Remote Archive Capture (RAC) project. This project, which is administered by the National Archives and Records Administration's Office of Presidential Libraries, was designed to coordinate the declassification of still-classified records held in various Presidential libraries. As a result of the way in which records were scanned for the RAC, the editors of the *Foreign Relations* series were not always able to determine whether attachments to a given document were in fact attached to the paper copy of the docu-

ment in the Carter Library file. In such cases, some editors of the *Foreign Relations* series have indicated this ambiguity by stating that the attachments were "Not found attached."

### *Editorial Methodology*

The documents are presented chronologically according to time in Washington, DC. Memoranda of conversation are placed according to the time and date of the conversation, rather than the date the memorandum was drafted.

Editorial treatment of the documents published in the *Foreign Relations* series follows Office style guidelines, supplemented by guidance from the General Editor and the Chief of the Declassification and Publishing Division. The original document is reproduced as exactly as possible, including marginalia or other notations, which are described in the footnotes. Texts are transcribed and printed according to accepted conventions for the publication of historical documents within the limitations of modern typography. A heading has been supplied by the editors for each document included in the volume. Spelling, capitalization, and punctuation are retained as found in the original text, except that obvious typographical errors are silently corrected. Other mistakes and omissions in the documents are corrected by bracketed insertions: a correction is set in italic type; an addition in roman type. Words or phrases underlined in the original document are printed in italics. Abbreviations and contractions are preserved as found in the original text, and a list of abbreviations and terms is included in the front matter of each volume. In telegrams, the telegram number (including special designators such as Secto) is printed at the start of the text of the telegram.

Bracketed insertions are also used to indicate omitted text that deals with an unrelated subject (in roman type) or that remains classified after declassification review (in italic type). The amount and, where possible, the nature of the material not declassified has been noted by indicating the number of lines or pages of text that were omitted. Entire documents withheld after declassification review have been accounted for and are listed in their chronological place with headings, source notes, and the number of pages not declassified.

All brackets that appear in the original document are so identified in the footnotes. All ellipses are in the original documents.

The first footnote to each document indicates the sources of the document and its original classification, distribution, and drafting information. This note also provides the background of important documents and policies and indicates whether the President or his major policy advisers read the document.

Editorial notes and additional annotation summarize pertinent material not printed in the volume, indicate the location of additional documentary sources, provide references to important related docu-

ments printed in other volumes, describe key events, and provide summaries of and citations to public statements that supplement and elucidate the printed documents. Information derived from memoirs and other first-hand accounts has been used when appropriate to supplement or explicate the official record.

The numbers in the index refer to document numbers rather than to page numbers.

### *Advisory Committee on Historical Diplomatic Documentation*

The Advisory Committee on Historical Diplomatic Documentation, established under the *Foreign Relations* statute, monitors the overall compilation and editorial process of the series and advises on all aspects of the preparation of the series and declassification of records. The Advisory Committee does not necessarily review the contents of individual volumes in the series, but it makes recommendations on issues that come to its attention and reviews volumes as it deems necessary to fulfill its advisory and statutory obligations.

### *Declassification Review*

The Office of Information Programs and Services, Bureau of Administration, conducted the declassification review for the Department of State of the documents published in this volume. The review was conducted in accordance with the standards set forth in Executive Order 13526 on Classified National Security Information and applicable laws.

The principle guiding declassification review is to release all information, subject only to the current requirements of national security as embodied in law and regulation. Declassification decisions entailed concurrence of the appropriate geographic and functional bureaus in the Department of State, other concerned agencies of the U.S. Government, and the appropriate foreign governments regarding specific documents of those governments. The declassification review of this volume, which began in 2012 and was completed in 2014, resulted in the decision to excise a paragraph or more in four documents, and make minor excisions of less than a paragraph in twenty-nine documents.

The Office of the Historian is confident, on the basis of the research conducted in preparing this volume and as a result of the declassification review process described above, that the documentation and editorial notes presented here provide a thorough, accurate, and reliable—given the limitations of space—record of the Carter administration's policy toward the organization and management of U.S. foreign policy.

**Adam M. Howard, Ph.D.**  
*General Editor*

**Stephen P. Randolph, Ph.D.**  
*The Historian*

# Preface

## *Structure and Scope of the Foreign Relations Series*

This volume is part of a subseries of volumes of the *Foreign Relations* series that documents the most important issues in the foreign policy of the administration of Jimmy Carter. The subseries presents a documentary record of major foreign policy decisions and actions of the Carter administration. This specific volume documents the organization and management of U.S. foreign policy during that administration. It continues many of the issues and themes that were addressed in the Organization and Management volumes of the Nixon/Ford administrations: *Foreign Relations*, 1969–1976, Volume II, Organization and Management of U.S. Foreign Policy, 1969–1972; and *Foreign Relations*, 1969–1976, Volume XXXVIII, Part 2, Organization and Management of Foreign Policy; Public Diplomacy, 1973–1976. The organizational apparatus of humanitarian affairs policymaking is outlined in *Foreign Relations*, 1977–1980, Volume II, Human Rights and Humanitarian Affairs. In addition, *Foreign Relations*, 1977–1980, Volume I, Foundations of Foreign Policy, documents the intellectual foundations of the Carter administration's foreign policy, which drove many of the organizational changes of this time period.

## *Focus of Research and Principles of Selection for Foreign Relations, 1977–1980, Volume XXVIII*

The Carter administration's organization and management of U.S. foreign relations focused on four key areas—the reforming and reorganizing of the National Security Council (NSC) system; attempts to restructure the intelligence community; the adoption of the Civil Service Reform Act of 1978 and the Foreign Service Reform Act of 1980; and economic reorganization and the centralization of matters related to trade.

The role of Zbigniew Brzezinski, who became President Carter's Assistant for National Security Affairs, is emphasized in the story of the reforming and reorganizing of the NSC. Brzezinski's weekly national security reports highlight the strong voice that Brzezinski had in the formulation of foreign policy. To a limited extent, the adversarial relationship that developed between Vance and Brzezinski is also apparent in these documents.

Carter played an important role in trying to restructure the intelligence community, and the strong voices of both Stansfield Turner and Harold Brown are apparent, as are their divergent views on how the in-



telligence community should be restructured. Both the President's Intelligence Oversight Board and the Congress appealed for increasingly larger roles in the oversight of intelligence issues during the Carter administration.

The administration's efforts to convince Congress to pass the Civil Service Reform Act of 1978 and later, the Foreign Service Reform Act of 1980 demonstrated the ways in which the administration hoped to restructure aspects of policymaking as well as address morale issues in the federal government, especially in the Department of State. Notably, the Civil Service Reform Act created the Senior Executive Service and the Foreign Service Reform Act established the Senior Foreign Service.

Finally, the administration placed significant weight on economic reorganization and the centralization of matters related to trade. The position of United States Trade Representative was established as a successor to the Special Trade Representative. Additionally, many trade issues, which had previously been overseen by the Departments of State and Treasury, were transferred to the Department of Commerce.

#### *Acknowledgements*

The editor thanks the officials at the Jimmy Carter Library for their help and assistance, especially James Yancey and Ceri McCarron. Thanks are due to the History Staff of the Center for the Study of Intelligence of the Central Intelligence Agency and to John Collinge, Acting Joint Historian for the Department of State and the Central Intelligence Agency, who were helpful in arranging full access to the files of the Central Intelligence Agency. The editor would also like to thank Sandy Meagher for her valuable assistance in expediting the use of files of the Department of Defense. The editor is appreciative to Alan Lipton and Don McIlwain for their assistance in accessing records at the National Archives and Records Administration.

The editor collected and selected documentation and edited the volume under the supervision of Kathleen Rasmussen, Chief of the Global Issues and General Division, and Stephen P. Randolph, then the General Editor of the *Foreign Relations* series, both of whom also reviewed the volume. Kerry Hite coordinated the declassification review under the supervision of Carl Ashley, Chief of the Declassification Division. Thomas I. Faith performed the copy and technical editing. Do Mi Stauber prepared the index.

**Melissa Jane Taylor**  
*Historian*

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# Sources

## *Sources for Foreign Relations, 1977–1980, Volume XXVIII*

The sources for this volume are different from most other *Foreign Relations* volumes in the Carter subseries because of its primary focus on organization and management of foreign policy and the intelligence process. In addition, this volume draws from a more diffuse base of sources, many of which are not normally used in other volumes in the subseries. For that reason, readers should pay special attention to the source notes and other annotation in the volume which provide a wealth of citations that will lead the reader to key files and collections. In this note on sources the emphasis is on the most important files.

The most valuable files for this volume were those of the Under Secretary of State for Management (M) located at the National Archives in College Park, Maryland. The files are arranged chronologically and fully outline both the internal organization of the Department of State and the external organization in terms of how the Department of State interacted with other agencies in the development and execution of U.S. foreign policy. This thorough collection is an invaluable resource to anyone interested in management of a governmental agency.

Additionally, certain collections in the National Security Affairs files at the Jimmy Carter Presidential Library in Atlanta, Georgia are especially important, including the Agency File, the President's Intelligence Oversight Board File, and the Brzezinski Office File. The National Security Council Institutional Files at the Carter Library are also important. Both the Agency File and the President's Intelligence Oversight Board File were critical collections for the chapter on intelligence reformation during the Carter administration. The Agency File outlined the proposals and changes in intelligence reform and how these were negotiated between the various agencies. It provided extensive information not only on the intelligence issues of the day, especially the organization of the intelligence community, but also on the negotiation of changes in the structure of the intelligence community and the power struggles that ensued. The President's Intelligence Oversight Board File provided extensive information on the oversight of intelligence activities and how oversight was negotiated between the executive and legislative branches of government.

The Brzezinski Office File and National Security Council Institutional File provided documentation on the role of the National Security Council in the formulation of U.S. foreign policy. The Institutional Files document the formalized processes of Presidential Review Memo-

randa (PRM) and Presidential Directives (PD). This file contains the paperwork trail for each of the PRMs and PDs issued by the Carter administration. Several of these directly address intelligence reform, and as a result, this collection and the wealth of information contained therein, were essential.

While a variety of other collections and resources were consulted and contributed to the completion of this volume, those described above constitute the most important collections for documenting the organization and management of U.S. foreign policy during the Carter administration. Readers should consult both the source notes and additional annotation in order to learn what other files have been consulted. In addition to the paper files cited below, a growing number of documents are available on the Internet. The Office of the Historian maintains a list of these Internet resources on its website and encourages readers to consult that site on a regular basis.

### Unpublished Sources

#### Department of State

*Lot files.* These files have been transferred or will be transferred to the National Archives and Records Administration in College Park, Maryland.

Central Files: See National Archives and Records Administration below

Lot 81D117, Records of the Executive Secretariat, Information Management Section (S/S-I)

Lot 84D241, Records of the Secretary of State, 1977–1980

Lot 80D135, Personal Files of the Secretary of State, 1977–1980

INR/IL Files, Intelligence Community Reorganization

#### National Archives and Records Administration, College Park, Maryland

RG 59, General Records of the Department of State

*Central Foreign Policy File*

Entry P-14, Lot 81D113, Records of the Deputy Secretary of State, 1977–1980

Entry 9, Lot 82D298, Office Working Papers of S/P, 1977–1981

Entry 141, Lot 79D336, Records of the Under Secretary for Management, 1977–May 1978

Entry 143, Lot 81D225, Records of the Under Secretary for Management, June 1978–December 1979

Entry 142, Lot 81D396, Records of the Under Secretary for Management, 1980

RG 364, Records of the Office of U.S. Trade Representative, 1977–1979

#### Jimmy Carter Presidential Library, Atlanta, Georgia

National Security Affairs, Brzezinski Material

Agency File

- Brzezinski Office File
- Subject File
- National Security Affairs, Staff Material
  - Brzezinski Donated Material
  - Office File
  - President's Intelligence Oversight Board
- National Security Council, Institutional Files
- President's Daily Diary
- President's File, Plains File
- White House Central File
  - Federal Government
  - Personnel

### **Central Intelligence Agency, Langley, Virginia**

- Office of the Director of Central Intelligence
  - Job 97M00248R: Policy Files
  - Job 80M00165A: Executive Registry Subject Files
- Community Management Staff (Also known as the Intelligence Community Staff)
  - Job 79M00095A: Official Subject Files (1975–1977)
- Office of the Deputy Director for Intelligence
  - Job 82M00587R: Policy Files
- National Intelligence Council
  - Job 91M00696R: Subject Policy Files

### **National Security Council**

- Carter Intelligence Files
  - Intelligence Oversight Board
  - Political Intelligence and Analysis
  - Political Intelligence Meeting

### **Washington National Records Center, Suitland, Maryland**

- RG 330, Records of the Department of Defense
  - OSD Files: FRC 330–81–0761
    - ASD/ISA Policy Files, 1976–1977
  - OSD Files: FRC 330–80–0017
    - Official Records (Secret & Below) of the Secretary of Defense, 1977
  - OSD Files: FRC 330–82–0204
    - Official Records (Secret & Below) of the Secretary of Defense, 1979

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# Abbreviations and Terms

- A**, Bureau of Administration, Department of State  
**AA**, affirmative action  
**AAFSW**, Association of American Foreign Service Women  
**AAJOP**, Affirmative Action Junior Officer Program  
**A/BF**, Office of the Deputy Assistant Secretary of State for Budget and Finance, Bureau of Administration  
**A/BF/OB**, Office of the Deputy Assistant Secretary of State for Budget and Finance, Office of Budget, Bureau of Administration  
**ACDA**, Arms Control and Disarmament Agency  
**ACLU**, American Civil Liberties Union  
**ACSI**, Assistant Chief of Staff for Intelligence, U.S. Army  
**ACTION**, Federal agency that coordinates domestic volunteer efforts  
**ADNI**, Assistant Director of National Intelligence  
**ADP**, automatic data processing  
**AF**, Air Force; Bureau of African Affairs, Department of State  
**AFGE**, American Federation of Government Employees  
**AFL-CIO**, American Federation of Labor and Congress of Industrial Organizations  
**AFSA**, American Foreign Service Association  
**AID**, Agency for International Development  
**A/ISO**, Deputy Assistant Secretary of State for Information Systems, Bureau of Administration  
**Amb**, Ambassador  
**ANZUS**, Australia, New Zealand, United State Security Treaty  
**APA**, Administrative Procedure Act  
**ARA**, Bureau of Inter-American Affairs, Department of State  
**ARC**, Application Review Committee  
**ASA**, Army Security Agency  
**ASAT**, anti-satellite weapon  
**ASD/C<sup>3</sup>I**, Assistant Secretary of Defense for Command, Control, Communications, and Intelligence  
**ASD/ISA**, Assistant Secretary of Defense for International Security Affairs  
**ASEAN**, Association of South East Asian Nations  
**ASW**, anti-submarine warfare  
**A/SY**, Office of Security, Bureau of Administration, Department of State  
**A/SY/OPS**, Director for Operations, Office of Security, Bureau of Administration, Department of State  
**A/SY/PSI**, Director for Personnel Security and Investigations, Office of Security, Bureau of Administration, Department of State  
**A/SY/SAS**, Special Assignments Staff, Office of Security, Bureau of Administration, Department of State  
  
**BBC**, British Broadcasting Corporation  
**BEX**, Board of Examiners (Foreign Service)  
**BFS**, Board of the Foreign Service  
**BIA**, Bureau of Indian Affairs, Department of the Interior  
  
**C**, Carter; Confidential; Office of the Counselor of the Department of State



**C&R**, Communications and Records  
**C&T**, Career and Tenure  
**CA**, Bureau of Consular Affairs, Department of State; Career Ambassador  
**CCP**, Consolidated Cryptologic Program  
**CDO**, Career Development Officer  
**CEA**, Council of Economic Advisers  
**CFI**, Committee on Foreign Intelligence  
**CI**, counterintelligence  
**CIA**, Central Intelligence Agency  
**CIA/DDI**, Deputy Director for Intelligence, Central Intelligence Agency  
**CIA/DDO**, Deputy Director for Operations, Central Intelligence Agency  
**CIAP**, Central Intelligence Agency Program  
**CIC**, Combat Intelligence Center, U.S. Marine Corps  
**CIEP**, Council on International Economic Policy  
**CINC**, Commander in Chief  
**CFI**, Committee on Foreign Intelligence  
**CM**, Career Minister  
**COM**, Chief of Mission  
**COMIREX**, Committee on Imagery Requirements and Exploitation  
**COMSEC**, communications security  
**ConGen**, Foreign Service Institute course that prepares Foreign Service Officers for consular work  
**COS**, Chief of Station  
**CS**, Civil Service  
**CSC**, Civil Service Commission  
**CSRA**, Civil Service Reform Act  
**CTB**, Comprehensive Test Ban  
**CU**, Bureau of Educational and Cultural Affairs, Department of State  
  
**DAS**, Deputy Assistant Secretary  
**DC**, District of Columbia  
**DCC**, Development Coordination Committee  
**DCI**, Director of Central Intelligence  
**DCIA**, Director of the Central Intelligence Agency  
**DCID**, Director of Central Intelligence Directive  
**DCM**, Deputy Chief of Mission  
**D/DCI/IC**, Deputy to the Director of Central Intelligence for the Intelligence Community  
**D/DCI/NI**, Deputy to the Director of Central Intelligence for National Intelligence  
**DDI**, Deputy Director for Intelligence, Central Intelligence Agency  
**DDO**, Deputy Director for Operations, Central Intelligence Agency  
**DD/S&T**, Deputy Director for Science and Technology, Central Intelligence Agency  
**DEA**, Drug Enforcement Administration  
**DepSecDef/Intel**, Deputy Secretary of Defense for Intelligence  
**Dept**, Department  
**DFI**, Director of Foreign Intelligence  
**DG/EM**, Employee Management Division, Office of Employee Relations, Bureau of Personnel, Department of State  
**DG/PC**, Office of Program Coordination, Bureau of Personnel, Department of State  
**DGP/PER**, Office of the Director General of the Foreign Service and Director of Personnel, Bureau of Personnel, Department of State  
**DGP/PER/REE**, Office of Recruitment, Examination, and Employment, Office of the Director General of the Foreign Service and Director of Personnel, Bureau of Personnel, Department of State  
**DIA**, Defense Intelligence Agency

**DIADC**, Defense Intelligence Agency Dissemination Center  
**DNI**, Director of National Intelligence  
**DOD**, Department of Defense  
**DPS**, White House domestic policy staff  
**DSAA**, Defense Security Assistance Agency  
**DSD**, Deputy Secretary of Defense

**E**, Office of the Under Secretary of State for Economic Affairs  
**EA**, East Asia; Bureau of East Asian and Pacific Affairs, Department of State  
**EA/EX**, Executive Office, Bureau of East Asian and Pacific Affairs, Department of State  
**EB**, Bureau of Economic and Business Affairs, Department of State  
**E/C**, Economic/Commercial  
**EEO**, Equal Employment Opportunity  
**EEOC**, Equal Employment Opportunity Commission  
**ELINT**, electronic intelligence  
**ELTF**, Executive-Level Task Force on Affirmative Action  
**E.O.**, Executive Order  
**EOB**, Executive Office Building  
**EOD**, Entry on Duty  
**EOP**, Executive Office of the President  
**EPB**, Economic Policy Board  
**EPG**, Economic Policy Group  
**ERC**, Employment Review Committee  
**ERDA**, Energy Research and Development Administration  
**ERW**, enhanced radiation weapon  
**ES**, Executive Service  
**ESF**, Economic Support Fund  
**ETS**, Educational Testing Service  
**EUR**, Bureau of European Affairs, Department of State

**FAA**, Federal Aviation Administration  
**FAM**, Foreign Affairs Manual  
**FAO**, Food and Agriculture Organization (United Nations)  
**FAS**, Foreign Agricultural Service, Department of Agriculture; Foreign Affairs Specialist  
**FAST**, Familiarization and Short-Term courses  
**FBI**, Federal Bureau of Investigation  
**FBIS**, Foreign Broadcast Information Service  
**FCA**, Office of Foreign Service Career Development and Assignments, Bureau of Personnel, Department of State  
**FCA/JO**, Junior Officer Division, Office of Foreign Service Career Development and Assignments, Bureau of Personnel, Department of State  
**FCS**, Foreign Commercial Service  
**FDR**, Franklin Delano Roosevelt  
**FEORP**, Federal Equal Opportunity Recruitment Program  
**FEW**, Federally Employed Women  
**FISA**, Foreign Intelligence Surveillance Act  
**FLO**, Family Liaison Office, Bureau of Personnel, Department of State  
**FLRA**, Federal Labor Relations Authority  
**FOIA**, Freedom of Information Act  
**FPMP**, Federal Personnel Management Project  
**FS**, Foreign Service  
**FSI**, Foreign Service Institute, Department of State  
**FSIO**, Foreign Service Information Officer  
**FSLRA**, Foreign Service Labor Relations Authority (proposed)

## XVIII Abbreviations and Terms

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**FSN**, Foreign Service National  
**FSO**, Foreign Service Officer  
**FSR**, Foreign Service Reserve  
**FSR/JO**, Foreign Service Reserve, Junior Officer  
**FSRU**, Foreign Service Reserve (Unlimited)  
**FSS**, Foreign Service Specialist; Foreign Service Staff  
**FSSO**, Foreign Service Staff Officer  
**FY**, Fiscal Year

**GAC**, General Advisory Committee  
**GAO**, Government Accounting Office  
**GATT**, General Agreement on Tariffs and Trade  
**GDIP**, General Defense Intelligence Program  
**GG**, General Government (pay plan)  
**GNP**, Gross National Product  
**GS**, General Schedule (pay plan)  
**GSA**, General Services Administration  
**GSO**, General Services Officer

**H**, Bureau of Congressional Relations, Department of State  
**HEW**, Department of Health, Education and Welfare  
**HIRC**, House International Relations Committee  
**HUD**, Department of Housing and Urban Development  
**HUMINT**, human intelligence

**IAW**, in accordance with  
**IBWC**, International Boundary and Water Commission  
**IC**, Intelligence Community  
**ICA**, International Communication Agency  
**ICBM**, inter-continental ballistic missiles  
**ICS**, Intelligence Community Staff  
**IDCA**, International Development Cooperation Agency  
**IIC**, Interdepartmental Intelligence Conference  
**IIM**, Interagency Intelligence Memorandum  
**IFI**, International Financial Institutions  
**IFTC**, Institute for Technological Cooperation  
**IG**, Inspector General  
**IMF**, International Monetary Fund  
**INFCE**, International Nuclear Fuel Cycle Evaluation  
**INR**, Bureau of Intelligence and Research, Department of State  
**INR/DDC**, Deputy Director for Coordination, Bureau of Intelligence and Research, Department of State  
**IO**, Bureau of International Organization Affairs, Department of State  
**IO/UNP**, Office of UN Political Affairs, Bureau of International Organization Affairs, Department of State  
**IOB**, Intelligence Oversight Board  
**ISSS**, Intelligence Space Support Systems Agency  
**ISTC**, International Science and Technology Center

**JCS**, Joint Chiefs of Staff  
**JO**, Junior Officer

**KGB**, Soviet Committee for State Security  
**KIQ**, Key Intelligence Question

**L**, Office of the Legal Adviser, Department of State  
**LDC**, less developed country  
**LDP**, Language Designated Position  
**L/EB**, Economic and Business Affairs, Office of the Legal Adviser, Department of State  
**L/M**, Legal Adviser for Management, Department of State  
**LRA**, Limited Renewable Appointments  
**LSAT**, Law School Admission Test  
**LULAC**, League of United Latin American Citizens  
**LWOP**, leave without pay

**M**, Office of the Under Secretary of State for Management  
**MAAG**, Military Assistance Advisory Group  
**MBFR**, Mutual and Balanced Force Reductions  
**M/COMP**, Office of the Comptroller, Department of State  
**M/CT**, Office for Combating Terrorism, Department of State  
**MDB**, Multilateral Development Banks  
**M/DG**, Bureau of Personnel, Department of State  
**M/DGP**, Director General of the Foreign Service and Director of Personnel, Department of State  
**MED**, Office of Medical Services, Department of State  
**M/EEO**, Equal Employment Opportunity Office, Department of State  
**M/FSI**, Foreign Service Institute, Department of State  
**MGT/HRM**, Human Resource Management Division, Office of Management, Bureau of Personnel, Department of State  
**MGT/OS**, Operating Systems Division, Office of Management, Bureau of Personnel, Department of State  
**M/MED**, Office of Medical Services, Department of State  
**M/MO**, Management Operations, Department of State  
**MODE**, Monitoring Overseas Direct Employment  
**MSPB**, Merit Systems Protection Board  
**MTN**, Multilateral Trade Negotiations  
**Mustang**, program for Civil Service and Foreign Service Specialists seeking entry-level Foreign Service Generalist appointments in one of the four cones: Consular, Economic, Administrative, or Political

**NAACP**, National Association for the Advancement of Colored People  
**NAC**, National Advisory Council on International Monetary and Financial Policies  
**NAM**, National Association of Manufacturers  
**NATO**, North Atlantic Treaty Organization  
**NEA**, Bureau of Near Eastern and South Asian Affairs, Department of State  
**NFAC**, National Foreign Assessment Center  
**NFIB**, National Foreign Intelligence Board  
**NFIP**, National Foreign Intelligence Program  
**NGT**, Numerical Goals & Timetable Study  
**NIAM**, National Intelligence Analytical Memorandum  
**NIE**, National Intelligence Estimate  
**NIO**, National Intelligence Officer  
**NIPA**, National Intelligence Production Agency (proposed)  
**NITC**, National Intelligence Tasking Center  
**Nodis**, No Distribution  
**NPIC**, National Photographic Interpretation Center  
**NPT**, Non-Proliferation Treaty  
**NRO**, National Reconnaissance Office  
**NRP**, National Reconnaissance Program

## XX Abbreviations and Terms

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**NSA**, National Security Agency  
**NSA/CSS**, National Security Agency, Central Security Service  
**NSC**, National Security Council  
**NSCID**, National Security Council Intelligence Directive  
**NSSM**, National Security Study Memorandum

**OA**, Other Agency  
**OAG**, Operations Advisory Group; Office of the Attorney General  
**OAS**, Organization of American States  
**OBE**, overtaken by events  
**OC/P**, Diplomatic Pouch and Courier Operations Division, Office of Communications, Department of State  
**OECD**, Organization for Economic Cooperation and Development  
**OEO**, Office of Economic Opportunity  
**OMB**, Office of Management and Budget  
**ONE**, Office of National Estimates, Central Intelligence Agency  
**OPEC**, Organization of the Petroleum Exporting Countries  
**OPIC**, Overseas Private Investment Corporation  
**OPM**, Office of Personnel Management  
**OSD**, Office of the Secretary of Defense  
**OSI**, Office of Special Investigations, U.S. Air Force  
**OSS**, Office of Strategic Services

**PA**, Bureau of Public Affairs, Department of State  
**PA/PP**, Office of Public Programs, Bureau of Public Affairs, Department of State  
**PAR**, Personnel Audit Report  
**PCI**, Italian Communist Party  
**PDASD/I**, Principal Deputy Assistant Secretary for Defense for Intelligence  
**PDB**, President's Daily Brief  
**PE**, Office of Performance Evaluation, Bureau of Personnel, Department of State  
**PER**, Bureau of Personnel, Department of State  
**PER/CCA**, Office of Civil Service Career Development and Assignments, Bureau of Personnel, Department of State  
**PER/ER**, Office of Employee Relations, Bureau of Personnel, Department of State  
**PER/FCA**, Office of Foreign Service Career Development, Bureau of Personnel, Department of State  
**PER/FCA/ARA**, Inter-American Affairs Division, Office of Foreign Service Career Development, Bureau of Personnel, Department of State  
**PER/FCA/EUR**, European Assignment Division, Office of Foreign Service Career Development, Bureau of Personnel, Department of State  
**PER/MGT**, Office of Management, Bureau of Personnel, Department of State  
**PER/MGT/AS**, Administrative Services, Office of Management, Bureau of Personnel, Department of State  
**PER/MGT/EX**, Executive Office, Office of Management, Bureau of Personnel, Department of State  
**PER/MGT/HRM**, Human Resource Management Division, Office of Management, Bureau of Personnel, Department of State  
**PER/MGT/OS**, Operations Systems Division, Office of Management, Bureau of Personnel, Department of State  
**PER/PE**, Office of Performance Evaluation, Bureau of Personnel, Department of State  
**PER/REE**, Office of Recruitment, Examination, and Employment, Bureau of Personnel, Department of State  
**PIT**, Part-time/Intermittent/Temporary Employee  
**P.L.**, Public Law

**PLO**, Palestine Liberation Organization  
**PM**, Bureau of Politico-Military Affairs, Department of State  
**PPG**, Priorities Policy Group  
**PRC**, Policy Review Committee; People's Republic of China  
**PRC (I)**, Policy Review Committee (Intelligence)  
**PRC (Intell)**, Policy Review Committee (Intelligence)  
**PRP**, President's Reorganization Project  
**Pres**, President  
**PRM**, Presidential Review Memorandum  
  
**R&D**, research & development  
**REE/BEX**, Foreign Service Board of Examiners, Office of Recruitment, Examination, and Employment, Bureau of Personnel, Department of State  
**REE/EMP**, Employment Division, Office of Recruitment, Examination, and Employment, Bureau of Personnel, Department of State  
**REE/EXAM/BEX**, Foreign Service Board of Examiners, Examination Division, Office of Recruitment, Examination and Employment, Bureau of Personnel, Department of State  
**REE/REC/SP**, Recruitment Division, Office of Recruitment, Examination and Employment, Bureau of Personnel, Department of State  
**RIF**, reduction-in-force  
**ROC**, Republic of China  
**ROK**, Republic of Korea  
**RSO**, Regional Security Officer  
  
**S**, Secret  
**SACEUR**, Supreme Allied Commander, Europe  
**SALT**, Strategic Arms Limitation Talks  
**SCA**, Bureau of Security and Consular Affairs, Department of State  
**SCC**, Special Coordination Committee  
**SCC/CI**, Special Coordination Committee/Counterintelligence  
**SCC(CI)**, Special Coordination Committee (Counterintelligence)  
**SCC(I)**, Special Coordination Committee (Intelligence)  
**SecDef**, Secretary of Defense  
**SecState**, Secretary of State  
**SES**, Senior Executive Service  
**SFRC**, Senate Foreign Relations Committee  
**SFS**, Senior Foreign Service  
**S/IG**, Inspector General of the Department of State and the Foreign Service  
**SIGINT**, signals intelligence  
**sitreps**, situation reports  
**SLOC**, Sea Line of Communication  
**SNIE**, Special National Intelligence Estimate  
**SOP**, state of play  
**S/P**, Policy Planning Staff, Department of State  
**Specat**, Special Category  
**S/PRS**, Office of Press Relations, Executive Secretariat, Department of State  
**SRAM**, short-range air-to-surface attack missiles  
**SRG**, Senior Review Group  
**S/S**, Executive Secretariat, Department of State  
**SSA**, Security Supporting Assistance  
**SSCI**, Senate Select Committee on Intelligence  
**STR**, Special Trade Representative  
**SY**, Office of Security, Bureau of Administration, Department of State

## XXII Abbreviations and Terms

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**T**, Office of the Under Secretary of State for Security Assistance, Science, and Technology

**TDY**, Temporary Duty

**TIC**, Time In Class

**TPC**, Trade Policy Committee

**TRW**, Thompson Ramo Wooldridge (American company)

**UNCTAD**, United Nations Conference on Trade and Development

**UNICEF**, United Nations Children's Fund

**US**, United States

**USC**, Under Secretaries Committee; U.S. Code

**USDA**, United States Department of Agriculture

**USG**, United States Government

**USIA**, United States Information Agency

**USICA**, United States International Communication Agency

**USSID**, United States Signals Intelligence Directive

**USSR**, Union of Soviet Socialist Republics

**USTPA**, United States Trade Policy Administration

**VO**, Visa Office, Bureau of Security and Consular Affairs, Department of State

**VOA**, Voice of America

**WAE**, when-actually-employed (pay status)

**WAO**, Women's Action Organization

**WCAS**, Women's Class Action Suit

**WSAG**, Washington Special Actions Group

**ZB**, Zbigniew Brzezinski

# Persons

**Aaron, David**, Deputy Assistant to the President for National Security Affairs

**Acheson, Dean**, Secretary of State from January 1949 until January 1953

**Albright, Madeline**, Congressional Relations Officer, National Security Council Staff from March 1978 until January 1981

**Barnes, Harry G., Jr.**, Director General of the Foreign Service and Director of Personnel, Department of State from December 1977

**Bass, Ken**, Director of the Office of Intelligence Policy and Review, Department of Justice

**Bayh, Birch**, Democratic Senator from Indiana; Chairman of the Senate Select Committee on Intelligence from January 1979

**Bell, Griffin**, Attorney General from January 1977 until August 1979

**Bergland, Robert**, Secretary of Agriculture

**Biden, Joseph R.**, Senator (D—Delaware)

**Bingham, Jonathan B.**, member, U.S. House of Representatives (D—New York)

**Blake, John**, Deputy Director for Administration, Central Intelligence Agency

**Blumenthal, W. Michael**, Secretary of the Treasury until August 1979

**Bourbon, Philip J.**, Director of the Office of Civil Service Career Development and Assignments, Bureau of Personnel, Department of State

**Bowie, Robert**, Deputy Director for Intelligence, Central Intelligence Agency, from October 1977 until August 1979

**Bray, Charles W., Jr.**, Deputy Director of the International Communication Agency

**Brewster, Robert C.**, Inspector General of the Department of State and the Foreign Service from January 1979

**Brooks, Jack**, member, U.S. House of Representatives (D—Texas); Chairman of the House Committee on Government Operations

**Broomfield, William**, member, U.S. House of Representatives (R—Michigan)

**Brown, George S.**, General, USAF, Chairman of the Joint Chiefs of Staff until June 1978

**Brown, Harold**, Secretary of Defense

**Brzezinski, Zbigniew**, Assistant to the President for National Security Affairs

**Buchanan, John H., Jr.**, member, U.S. House of Representatives (R—Alabama)

**Burke, J. Herbert**, member, U.S. House of Representatives (R—Florida)

**Byrd, Robert**, Senator (D—West Virginia); Senate Majority Leader

**Campbell, Alan K., "Scotty,"** Chairman of the Civil Service Commission; Director of the Office of Personnel Management from January 1979

**Carlucci, Frank C., III**, Deputy Director of Central Intelligence from February 1978

**Carter, James Earl, "Jimmy,"** President of the United States

**Case, Clifford P.**, member, U.S. House of Representatives (R—New Jersey)

**Ceausescu, Nicolae**, President of Romania

**Christopher, Warren M.**, Deputy Secretary of State

**Church, Frank**, Senator (D—Idaho)

**Civiletti, Benjamin**, Deputy Attorney General from 1978 until July 1979; Attorney General from August 1979

**Clark, Joan**, Director of Management Operations, Department of State

**Clay, William L., Sr.**, member, U.S. House of Representatives (D—Missouri)

**Cooper, Richard N.**, Under Secretary of State for Economic Affairs from April 1977

**Cranston, Alan**, Senator (D—California); Senate Minority Whip



**Culver, John**, Senator (D—Iowa)

**Danforth, John**, Senator (R—Missouri)

**Desai, Morarji**, Indian Prime Minister

**Dick, James V.**, member, White House Staff

**Diggs, Charles C.**, member, U.S. House of Representatives (D—Michigan)

**Dirks, Leslie**, Deputy Directory for Science and Technology, Central Intelligence Agency

**Downey, Thomas**, member, U.S. House of Representatives (D—New York)

**Duffey, Joseph D.**, Assistant Secretary of State for Educational and Cultural Affairs from March 1977 until March 1978

**Ehrlich, Thomas**, Director of the International Development Cooperation Agency

**Eisenhower, Dwight D.**, President from January 1953 until January 1961

**Eliot, Theodore L.**, Inspector General of the Department of State and the Foreign Service from July 1978 until October 1978

**Ericson, Richard**, Deputy Director of the Bureau of Politico-Military Affairs, Department of State until 1978

**Farmer, Thomas L.**, Chairman of the Intelligence Oversight Board from May 1977

**Frenzel, William E.**, member, U.S. House of Representatives (R—Minnesota)

**Fukuda, Takeo**, Japanese Prime Minister until December 1978

**Galloway, William**, Executive Assistant to the Deputy Under Secretary of State for Management

**Gambino, Robert**, Director of Security, Central Intelligence Agency

**Gates, Robert M.**, Special Assistant to the Assistant to the President for National Security Affairs from April 1979 until December 1979

**Gershenson, Robert S.**, Deputy Assistant Secretary of State, Bureau of Personnel

**Gierek, Edward**, First Secretary of the Polish United Workers Party

**Giscard d'Estaing, Valéry**, President of France

**Gore, Albert, Sr.**, member of the Intelligence Oversight Board from May 1977

**Halperin, Morton**, member, National Security Council Staff, 1969

**Hansell, Herbert J.**, Legal Adviser of the Department of State from April 1977 until September 1979

**Hart, Gary S.**, Senator (D—Colorado)

**Heinz, H. John, III**, Senator (R—Pennsylvania)

**Helms, Richard M.**, Director of Central Intelligence from 1966 until 1973; thereafter Ambassador to Iran until December 1976

**Hickenlooper, Bourke B.**, Senator (R—Iowa) from 1945 until 1968

**Holbrooke, Richard C.**, Assistant Secretary of State for East Asian and Pacific Affairs from March 1977

**Hoskinson, Samuel M.**, Intelligence Coordinator, National Security Council Staff from January 1977 until May 1979

**Huddleston, Walter D.**, Senator (D—Kentucky); Chairman of the Subcommittee on Charters and Guidelines, Senate Select Committee on Intelligence

**Humphrey, Hubert H., Jr.**, Senator (D—Minnesota) until his death in January 1978

**Humphrey, Muriel**, Senator (D—Minnesota) from January until November 1978

**Hussein I (Husayn)**, King of Jordan

**Inderfurth, Karl, "Rick,"** Assistant to the Assistant to the President for National Security Affairs from January 1977 until April 1979

**Inouye, Daniel K.**, Senator (D—Hawaii); Chairman of the Senate Select Committee on Intelligence until January 1979

**Isbister, James**, Associate Director of Management, International Communication Agency

**Javits, Jacob K.**, Senator (R—New York)

**Johnson, Lyndon B.**, President of the United States from November 1963 until January 1969

**Jones, David C.**, General, USAF, Chairman of the Joint Chiefs of Staff from June 1978

**Jones, James R.**, member, U.S. House of Representatives (D—Oklahoma)

**Katz, Julius**, Assistant Secretary of State for Economic and Business Affairs until November 1979

**Kelley, Clarence M.**, Director of the Federal Bureau of Investigation until February 1978

**Kennedy, Edward M.**, Senator (D—Massachusetts)

**Kennedy, John F.**, President of the United States from January 1961 until November 1963

**Kester, John G.**, Special Assistant to the Secretary of Defense

**Kissinger, Henry A.**, Secretary of State from September 1973 until January 1977

**Knoche, E. Henry**, Deputy Director of Central Intelligence from July 1976 until August 1977; Acting Director of Central Intelligence from January 1977 until March 1977

**Komer, Robert**, Under Secretary of Defense for Policy from October 1979

**Kreps, Juanita M.**, Secretary of Commerce from January 1977 until October 1979

**Kujovich, Gilbert L.**, Counsel of the Intelligence Oversight Board

**Laise, Carol C.**, Director General of the Foreign Service and Director of Personnel until December 1977

**Lake, W. Anthony**, Director of the Policy Planning Staff, Department of State

**Lance, Thomas B.**, Director of the Office of Management and Budget from January 1977 until September 1977

**Lapham, Anthony A.**, General Counsel of the Central Intelligence Agency until May 1979

**Leach, Jim**, member, U.S. House of Representatives (R—Iowa)

**Leahy, Patrick**, Senator (D—Vermont)

**Lipshutz, Robert J.**, White House Counsel

**Lloyd, Janet**, Director of the Family Liaison Office, Bureau of Personnel, Department of State

**López Portillo y Pacheco, José**, President of Mexico

**Maguire, Gene**, member, U.S. House of Representatives (D—New Jersey)

**Markey, Edward**, member, U.S. House of Representatives (D—Massachusetts)

**Marshall, Andrew W.**, Director, Office of Net Assessment, Department of Defense

**Marshall, Ray**, Secretary of Labor

**Mason, Dwight**, Special Assistant to the Deputy Under Secretary of State for Management

**Mathias, Charles McC.**, Senator (R—Maryland); Vice Chairman of the Subcommittee on Charters and Guidelines, Senate Select Committee on Intelligence

**Maynes, Charles W.**, Assistant Secretary of State for International Organization Affairs from April 1977 until April 1980

**McAfee, William**, Deputy Director for Coordination, Bureau of Intelligence and Research, Department of State

**McGiffert, David E.**, Assistant Secretary of Defense for International Security Affairs from April 1977

**McGovern, George S.**, Senator (D—South Dakota); member, Senate Foreign Relations Committee

**McMahon, John N.**, Deputy Director for Operations, Central Intelligence Agency from January 1978

**Messner, Howard**, Office of Management and Budget

**Meyner, Helen**, member, U.S. House of Representatives (D—New Jersey) until January 1979

**Michel, James H.**, Deputy Legal Adviser, Department of State

**Mondale, Walter**, Vice President of the United States

**Moore, Frank**, Assistant to the President for Congressional Liaison

**Moose, Richard M.**, Deputy Under Secretary of State for Management from March 1977 until August 1977; Chairman of the Secretary's Task Force on Affirmative Action from March 1977; Assistant Secretary of State for African Affairs from July 1977

**Murphy, Daniel J.**, Admiral, Deputy to the Director of Central Intelligence for the Intelligence Community from March 1976 to June 1977

**Muskie, Edmund S.**, Senator (D—Maine) until May 1980; Secretary of State from May 1980

**Needham, Helen Cohn**, attorney at the Law Offices of Bruce J. Terris

**Newsom, David D.**, Under Secretary of State for Political Affairs from April 1978; Chairman of the Board of the Foreign Service

**Nixon, Richard**, President of the United States from January 1969 until August 1974

**Nunn, Samuel**, Senator (D—Georgia)

**Nye, Joseph S.**, Deputy Under Secretary of State for Security Assistance, Science, and Technology from 1977 until 1979

**Obasanjo, Olusegun**, Nigerian Head of State

**O'Neill, Thomas, "Tip,"** member, U.S. House of Representatives (D—Massachusetts); Speaker of the House

**Owen, Henry**, Special Representative for Economic Summits, National Security Council Staff, from October 1977

**Pahlavi, Mohammad Reza**, Shah of Iran

**Palmer, Ronald**, Director, Office of Foreign Service Career Development and Assignments, Bureau of Personnel, Department of State

**Pell, Claiborne**, Senator (D—Rhode Island)

**Percy, Charles H.**, Senator (R—Illinois); member, Senate Foreign Relations Committee

**Pettigrew, Richard**, Assistant to the President for Reorganization

**Quandt, William**, member, Middle East/North Africa Cluster, National Security Council Staff until August 1979

**Rangel, Charles B.**, member, U.S. House of Representatives (D—New York)

**Read, Benjamin H.**, Deputy Under Secretary of State for Management from August 1977 until October 1978; thereafter Under Secretary of State for Management

**Ribicoff, Abraham A.**, Senator (D—Connecticut)

**Richard, Eric**, Special Assistant to the Attorney General

**Roth, William V., Jr.**, Senator (R—Delaware)

**Ryan, Leo**, member, U.S. House of Representatives (D—California)

**Saunders, Harold**, Director of the Bureau of Intelligence and Research until April 1978; thereafter Assistant Secretary of State for Near Eastern and South Asian Affairs

**Schlesinger, James R.**, Director of Central Intelligence from February 1973 until July 1973

**Schmidt, Helmut**, Chancellor of the Federal Republic of Germany

**Schroeder, Patricia**, member, U.S. House of Representatives (D—Colorado)

**Schultze, Charles L.**, Chairman of the Council of Economic Advisers

**Scowcroft, Brent**, Assistant to the President for National Security Affairs from November 1975 until January 1977

**Scranton, William**, member, Intelligence Oversight Board from May 1977

**Shenefield, John**, Associate Attorney General from 1979 until 1981

**Silver, Daniel B.**, General Counsel of the Central Intelligence Agency from May 1979

**Simon, William E.**, Secretary of the Treasury from May 1974 until January 1977

**Smith, William Y.**, Lieutenant General, USAF, Assistant to the Chairman of the Joint Chiefs of Staff

**Sparkman, John J.**, member, U.S. House of Representatives (D—Alabama)

**Spiers, Ronald I.**, Director of the Bureau of Intelligence and Research from January 1980

**Stevens, Sayre**, Deputy Director for Intelligence, Central Intelligence Agency

**Stevens, Theodore F.**, Senator (R—Alaska)

**Stevenson, Adlai, III**, Senator (D—Illinois)

**Sugarman, Jule M.**, Vice Chairman of the Civil Service Commission from May 1977 until January 1979; thereafter Deputy Director of the Office of Personnel Management

**Szanton, Peter**, Associate Director for Organization Studies, Office of Management and Budget

**Tarnoff, Peter**, Special Assistant to the Secretary of State and Executive Secretary of the Department of State from April 1977 until February 1981

**Taylor, James H.**, Comptroller, Central Intelligence Agency, until September 1979

**Tighe, Eugene F.**, Lieutenant General, USAF, Director of the Defense Intelligence Agency from September 1977

**Tito, Josip Broz**, President of Yugoslavia

**Tracy, Thomas M.**, Assistant Secretary of State for Administration from September 1979

**Truman, Harry S.**, President of the United States from 1945 until 1953.

**Tsongas, Paul**, member, U.S. House of Representatives (D—Massachusetts)

**Turner, Stansfield**, Admiral, Director of Central Intelligence from March 1977

**Udall, Morris K.**, member, U.S. House of Representatives (D—Arizona)

**Vaky, Viron P.**, “Pete,” Assistant Secretary of State for Inter-American Affairs from July 1978 until November 1979

**Vance, Cyrus R.**, Secretary of State until April 1980

**Vance, Sheldon**, former Ambassador to Zaire; member, American Foreign Service Association

**Vest, George S.**, Assistant Secretary of State for European Affairs from June 1977

**Vine, Richard**, Principal Deputy Assistant Secretary of State, Bureau of European Affairs

**Watson, Jack, Jr.**, Secretary to the Cabinet and Assistant to the President for Intergovernmental Affairs

**Weicker, Lowell, Jr.**, Senator (R—Connecticut)

**Wells, William**, Deputy Director for Operations, Central Intelligence Agency

**White, John P.**, Deputy Director of the Office of Management and Budget from 1979

**Wides, Burton V.**, Counsel of the Intelligence Oversight Committee from November 1977 until February 1979

**Wisner, Frank**, Deputy Executive Secretary of the Department of State from 1977 until 1979

**Wolff, Alan**, Deputy Special Representative for Trade Negotiations from May 1977 until October 1979

**Wolff, Lester L.**, member, U.S. House of Representatives (D—New York)

**Zablocki, Clement J.**, member, U.S. House of Representatives (D—Wisconsin); Chairman of the House International Relations Committee

**Zorinsky, Edward**, Senator (D—Nebraska)



# Organization and Management of Foreign Policy

## NSC and the Interagency Process

### 1. Memorandum From Matt Schaffer and Tony Lake to Jack Watson<sup>1</sup>

August 11, 1976

#### SUBJECT

Organizational Relationships within the Executive Department and Foreign Policy—Some Issues and Questions

Organizational reform should best occur in the context of policy goals and not purely in terms of efficiency. When the objectives have been set, the structure can then be adjusted accordingly. What do you think of this premise?

#### *Procedural Goals*

1. Diversity of views. How can the government (the executive in particular) be structured so that the President is hearing advocates of different points of view. How can such a system favoring internal debate be institutionalized without causing confusion and divisiveness? Will the president want to avoid the Nixon scheme of having one or two persons define objectives, that would be agreed to and confirmed by the National Security Council?

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<sup>1</sup> Source: Carter Library, National Security Affairs, Staff Material, Office, Box 113, [Organization], 8/76. No classification marking. Matt Schaffer and Anthony Lake served as foreign policy advisers to Carter during Carter's candidacy. Lake headed the transition office in the Department of State and became Director of the Policy Planning Staff after Carter's inauguration. Jack Watson served as director of Carter's transition team.

2. Openness, and yet security. Can relationships between the White House Staff and the press or public be structured in such a fashion as to promote meaningful communication?

3. Presidential-Congressional relationships. Should the existing relationship with the executive be restructured in the field of foreign policy communication, consultation and decision-making?

a. What will be the relative strengths of the Secretary of State and the National Security Advisor? Will special roles be assigned in regard to Congress?

b. Will under-secretaries formally or informally consult with Congress before decisions are made?

4. Presidential control. Clear lines of authority are needed for implementing decisions, while diverse advocacy is needed from below.

#### *Substance*

1. Serious attention must be paid to the following architectural problem. How can the ongoing considerations of international monetary policy, trade, food, development, the law of the sea and other issues receive regular presidential attention? Can a structure be designed to prevent these issues from being pre-empted in the eyes of the president by more immediate crises?

2. How can we organize to increase multilateral diplomacy? Should summit consultations—as distinguished from negotiation or treaty signing—be conducted on a regular basis?

3. How will defense and foreign policy be coordinated?

4. How shall the budgetary issues of foreign policy be dealt with? Is the OMB the correct place for this?

5. How will the foreign policy be integrated with the domestic?

6. Within the National Security Council system, how can intelligence be coordinated effectively, so that the president receives the necessary information and yet maintains control over the information gathering apparatus?

7. Examine the National Security Council system, evaluating the committees that coordinate defense issues and budget, economic policy, food, law of the sea, etc.

a. How will the NSC relate to the White House Staff?

b. How many committees will there be on the NSC, and to whom will they report?

8. Ultimately, what will be the relationship among the president, the secretary of state, the secretary of defense and the national security advisor?

#### *Advise*

1. Finally, whom would you include on a list of persons to be consulted on these questions?

## 2. Paper Prepared by L.E. Lynn, Jr.<sup>1</sup>

September 16, 1976

### *WHAT SHOULD BE THE FUTURE OF THE NATIONAL SECURITY COUNCIL SYSTEM AND STAFF?*

#### *Background: The Issue*

The President is expected to exercise leadership in the formulation and execution of foreign policy and in the maintenance of national security. This leadership role is not only intellectually demanding, it places heavy demands on the President's executive abilities. Directing and coordinating the large number of agencies and interests who must be involved if the national interest is to be served is, to put it simply, hard to do.

Since the beginning of World War II, America's leaders have recognized the problems faced by the President in overseeing and coordinating the development and execution of foreign and national security policy. To facilitate purposeful Presidential leadership, Congress created the National Security Council in 1947.<sup>2</sup> Comprising the President, the Vice President, the Secretary of State and the Secretary of Defense, the NSC's role is to advise the President with respect to the various factors bearing on the maintenance of national security. The statute establishing the NSC also authorized the position of executive director of the NSC and a staff to be located in the Executive Office of the President.

Successive Presidents have used meetings of the National Security Council to dramatize their concern with and involvement in major foreign policy issues and crises. Their uses of the NSC and its staff for the day-to-day management and coordination of foreign and national security policy have differed sharply, however. Presidents Truman, Kennedy and Johnson relied on trusted advisors and largely *ad hoc* processes to lead and direct national security policy. President Eisenhower, on the other hand, relied on a process organized around the NSC staff, relying on it to define issues and alternatives and to

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<sup>1</sup> Source: Carter Library, National Security Affairs, Staff Material, Office, Box 113, National Security Council System, 9/15/76-1/77. No classification marking. L.E. Lynn, Jr. is presumed to be Laurence E. Lynn, Jr., who was a Professor of Public Policy at the John F. Kennedy School of Government at Harvard University. Lynn served in several government agencies prior to 1974 when he returned to academe, including the Department of the Interior; Department of Health, Education and Welfare; National Security Council; and Department of Defense.

<sup>2</sup> Reference to the National Security Act of 1947, P.L. 80-253.



give him the basis for articulating basic policy. So did Nixon, but with the important difference that he greatly expanded the role, size, and activities of the NSC staff. Under Henry Kissinger, Nixon's national security advisor, this expanded NSC system became the visible and controversial means whereby Nixon controlled foreign and national security policy from the center. The publicity given to Kissinger's NSC system and the controversies associated with it make the issue of what Carter will do with it—more generally, how Carter will oversee foreign affairs—compelling.

But the issue is important for another reason. It is widely recognized that foreign and national security policy have shifted dramatically in content and emphasis in the last 20 years. Military considerations no longer predominate. The Departments of State and Defense are not the agencies of primary or sole importance for the bulk of the issues that come before the President; they regularly cut across departmental lines. Issues are more complex, policy goals more difficult to devise, execution is more difficult. Thus, more than ever, policy-making is dominated by centripetal forces; decision-making tends to gravitate toward the President. Can the NSC system or adaptations of it be sufficient for effective Presidential leadership in these changed and more demanding circumstances? Will some combination of the methods used by Truman, Kennedy and Johnson work? Or are new organizational arrangements and instruments of Presidential control and perhaps new authorizing legislation needed?

Recent experience suggests that the processes whereby the President oversees foreign affairs must be adapted to his leadership and executive style. Kennedy could not have endured cumbersome bureaucratic processes; he was comfortable with ambiguity, complexity and conflict. Eisenhower could not have managed conflict-ridden informal debates; he needed orderly and disciplined staff support, well digested and brief decision papers. The essential aspects of Carter's style must be uppermost in the minds of those designing the foreign policy management processes for his Presidency.

Because of the number, complexity and vital importance of the issues which he will face, however, even an active, self-confident, bright and energetic President will be well-advised to submit to some bureaucratic discipline and to create some type of systematic staff support in the Executive Office. Issues that are ignored or mishandled through oversight, inadvertence or poorly organized staff support can have costly, explosive, or dire consequences.

### *Options*

With this as background, at least five archetypical alternatives should be considered by Carter in choosing an approach to foreign

policy management and coordination. I term them the “Strong President”; the “Strong Secretary”; the “Strong NSC”; the “Executive Cabinet”;<sup>3</sup> and the “Executive President”.

*“Strong President”.* The President personally assumes the preeminent role in organizing and directing foreign policy development and execution. Through regular personal contact with key advisors—principal cabinet and subcabinet officials, the national security advisor and his top people, key legislators—he stays abreast of issues and developments, directs the creation of or abolishes task forces and committees, calls for staff papers, discusses alternatives, challenges proposals, and communicates decisions. Not bound by procedure or formality, the President tailors the staff support system to his needs; he changes it as his needs change. The NSC meets when he feels it is to his advantage; he adds to the list of attendees as he sees fit. His White House staff/NSC staff advisors monitor, remind, record, follow-up, suggest, inform, and advise to his order, but they do not assume major executive responsibilities on the President’s behalf.

The potential *advantages* are those flowing from sustained substantive contact between an active, well-informed and energetic President with his principal subordinates. Styles mesh, a sense of teamwork develops, communications are clear and direct, and personal accountability is established, all to the benefit of the President’s ability to lead. Procedural formalities and rigidities are minimized. Rather than inexorable staff growth in the White House, bureaucratic and executive strength tends to develop within the agencies and departments.

The *disadvantages* can be glaring if the right combination of competence and styles cannot be obtained among the President and his advisors. The President’s personality may become too dominant, and he may not hear or learn what he should from eager-to-please subordinates. If a particular advisor turns out to be weak or lacking in certain skills, the President may find it difficult to work around him or her. When the key people become preoccupied with a crisis, other issues may fall through the cracks or significant developments may be overlooked because there is no bureaucratic backup; no one else has the power to do anything. This arrangement is also expensive in terms of the President’s time.

*“Strong Secretary”.* The President sets up his Secretary of State or Defense as “first among equals” (Acheson and McNamara and perhaps Kissinger currently are examples) to help him carry out executive func-

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<sup>3</sup> Allison and Szanton use this term to describe their proposal for reorganizing the Presidency. [Footnote is in the original. Lynn is referring to Graham Allison and Peter Szanton’s book, published in 1976, *Remaking Foreign Policy: The Organizational Connection*.]

tions; formulating issues, directing staff work, identifying disagreements, bringing matters up for decision, and even deciding (“I had better clear this with the President”). The White House staff advisory capacity is similar to that in the “Strong President” model, with an added emphasis on monitoring the relationship between the President and the strong secretary.

The *advantages* are, first, that the President is less exposed than in the previous model to costly bureaucratic and political conflict; he can use his secretary as a lightning rod. Less of the President’s time is consumed in routine management. Executive strength with Presidential perspective is developed in a major cabinet agency.

There are notable *disadvantages* as well. Any particular secretary inherently lacks clout in other cabinet agencies, especially where there are strong policy disagreements. Thus there would be continuous bureaucratic conflict, with probable political costs, and the President would continually be called upon to back his strong secretary. Especially now, when so many different agencies are involved in so many issues, a strong secretary model may not be feasible. Also, cabinet officers inevitably have divided loyalties. In relying on one over others where all have a stake, the President risks getting biased or distorted perspectives.

“*Strong NSC*”. In place of personal executive leadership by the President, Nixon and Kissinger developed and actively relied on a rather elaborate NSC system. Under such a system, formal procedures are established whereby the President, or his National Security Advisor acting for him, could direct that special studies on key issues be conducted and systematically reviewed and then make, record, and disseminate the resulting policy and program decisions. To handle ongoing White House responsibilities—crisis management, preparations for SALT, defense budget review—standing interagency committees or panels at the Undersecretary level are created, supported by interagency working groups, all chaired by the National Security Advisor or his staff. Occasionally, special temporary task forces are created for high priority assignments.

The *advantages* of this system depend in significant part on Presidential style. It is especially suited to a President who dislikes an extensive personal role in leading and coordinating his bureaucracy, who likes to read about, but not confront, issues and disagreements and then decide alone or “in private.” But the system has important advantages apart from this consideration. A highly competent National Security Advisor supported by a strong and well-informed staff and backed by the President can greatly extend the President’s grasp on his administration’s foreign and national security activities. Responsible to no particular bureaucracy, peculiarly dedicated to the Presidential

perspective, a strong NSC staff can bring about more thorough and objective staff work on specific issues, promote greater consistency and coherence in dealing with the substance of policies, and undertake active monitoring of execution. Especially on issues for which responsibility is widely dispersed in the bureaucracy, the NSC staff can involve the executive effort devoted to pulling disparate elements together.

The *disadvantages* are several. The bureaucratic and procedural barriers between the President and his principal advisors can create considerable irritation and hostility toward the system, thereby undermining its effectiveness. The President may fail to gain the "touch and feel" of issues and of the people who are affected by them and who must execute his decisions. The demands on the agencies may become excessive, and the sense of accountability to the President among them may atrophy. If the National Security Advisor has executive weaknesses or blind spots, their adverse consequences can be greatly magnified because the system is so dependent on him. Strong and capable executives may be reluctant to take Cabinet and Sub-Cabinet posts in a system where they are so clearly subordinate in policy matters.

"*Executive Cabinet*". Allison and Szanton have proposed the abolition of the NSC and that "an executive committee of the cabinet become the chief forum for high-level review and decision" on all cross-cutting issues. ExCab would be supplemented by subcommittees and *ad hoc* task forces. It would be supported by a sizeable permanent staff responsible to the relevant White House staff jointly. The latter staff would be small, and no substantive advisor would have a role in managing the flow of advice from other sources. The individual responsible for making this set-up work effectively would be "the President himself."

As far as *advantages* are concerned, Allison and Szanton note that "for the first time, the President would possess a substantive staff oriented toward a control task previously performed only in his own mind or not at all: assessing trade-offs among domestic, foreign, economic (and political) considerations, and integrating policy across those boundaries." Also, "it would widen the circle of advisors the President normally consults before making major decisions." The simultaneous attempts to abolish the NSC and create ExCab would signal clearly that the President reorganized the cross-cutting nature of foreign policy/security issues and that reliance on State/Defense/Treasury was no longer appropriate.

Principal disadvantages are as follows. The ExCab system would be both complicated and cumbersome. Further, the lines of authority are fuzzy: collegial bodies supervising or overseeing collegial bodies. Though the President is personally to superintend the ExCab system, the President's staff is to be accorded a relatively weak relationship to

it. Thus, rather than facilitating purposeful and vigorous Presidential leadership over policy formulation and execution, the system is more likely to foster a kind of Senate-style collegial deliberation which could prove quite sluggish. Collegial bodies are not ideally suited to performing executive functions. Thus, the ExCab system is likely to dissolve into something else, with the formal processes, if used, becoming ceremonial. The real decisions will be made in *ad hoc* fashion. Moreover, the ExCab staff will either be captured by someone with bureaucratic muscle—not necessarily the President—or become vestigial. Finally, an attempt to abolish the NSC (as opposed to amending the statute to broaden its mandate and membership or using it as Kennedy did) has no apparent political advantages and a lot of disadvantages.

### *Preferred Option*

My recommendation is an approach that combines aspects of a strong President with a strong NSC, which can be termed the “*Executive President*.” Tailored to an active Presidential leadership style, this approach assumes that the President emphasizes face-to-face dealings with subordinates and flexible procedures for thinking through issues, delegating responsibilities, and reaching decisions. He introduces some order into the process, however, and uses his White House staff to assist him with executive functions. His foreign affairs/national security staff are more than horse holders or idea people. They are able to run meetings, manage study processes, organize staff work, maintain contact with the bureaucracy, and demonstrate substantive competence, because the President uses them frequently in these roles.

In short, in addition to the President’s personal capacities, there is substantive and executive competence at the center, with the drawing of clean lines of authority.

This approach is consistent with what I sense is Governor Carter’s leadership style. It is also consistent with what I believe to be the realities facing the President in decision-making. Some order is needed, but not so much as to be inhibiting. Staff competence at the center is needed—the President cannot rely solely on staffs and agencies with divided loyalties—but not as much as to supplant the development of competence and a proper sense of accountability in the many executive agencies which must be involved in policy formulation and execution. Lines of authority and accountability must be drawn; free floating staffs, advisors without portfolios or clearly defined responsibilities, and collegial bodies without clear purpose and someone to run them create problems.

In no sense does choosing this course of action imply a retention of “the Kissinger system.” In fact, it isn’t such a retention. (The only exception that should clearly be considered is retention of the Verifica-

tion Panel of the NSC<sup>4</sup> to continue supporting SALT.) It can and should be created and put into operation with new faces, new procedures, and new intentions.

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<sup>4</sup> The Verification Panel, one of the NSC committees, was created to oversee arms control issues and options.

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**3. Memorandum From David Aaron and Rick Inderfurth to President-Elect Carter and the President's Assistant for National Security Affairs-Designate (Brzezinski)<sup>1</sup>**

Washington, undated

SUBJECT

Transition Report: NSC Organization, Procedures, Personnel

This memorandum summarizes our findings and recommendations concerning the organizational aspects of the NSC system. There are a number of decisions and actions which are necessary to establish, between now and the end of January, a new NSC system. The recommendations discussed below—relating to decisions on the structure, procedure and personnel of the NSC—are based on:

—A review of the current operation of the NSC. (A transition book<sup>2</sup> describing the current organization, staff and daily activities of the NSC has been prepared by the NSC staff at our direction.)

—An analysis of the substantive issues to be handled by the NSC system. (A memo and transition book<sup>3</sup> are under preparation.)

—The objectives of the NSC system in the new Administration.

*Objectives*

The recommendations set forth below concerning the new NSC system are aimed at the following objectives:

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<sup>1</sup> Source: Carter Library, Brzezinski Donated Material, Box 15, [NSC: 1/77–10/80]. Confidential. Brzezinski made notations in the margins of this memorandum, many of which are indecipherable.

<sup>2</sup> Not found.

<sup>3</sup> Neither found.

First, *to create policy choices*, to open up the bureaucracy so that alternatives are not smothered and issues are not fuzzed over, and that all relevant facts and data are brought to bear on decisions.

Second, *to ensure that the policy adopted is pursued in a coordinated and effective manner by rebuilding consensus in the government*—particularly after a painful choice.

Third, *to place as much responsibility as possible upon the “line” agencies* consistent with the first and second objectives and without permitting such agencies to preempt the authority of the President.

### *Findings and Recommendations*

#### *1. The NSC System*

The key question is whether the present structure of the NSC system should be radically altered. Changes in Administrations have usually produced major changes in the NSC system. Eisenhower’s elaborate formal structure was replaced by Kennedy’s explosion of conflicting and overlapping *ad hoc* bodies. That, in turn, was overtaken by Johnson’s informal and highly personalized “Tuesday Lunch.” The structure of Nixon’s centralized and systematic NSC system was retained by Ford but the realities of power are that the Secretary of State dominates the system (but not the Department of State).

Regardless of the different ways the NSC system has been used, it has always had certain enduring features and functions:

—*A National Security Assistant* to help the President manage the national security bureaucracy and support the President’s own diplomatic efforts.

—*A National Security Council*—whether formal or informal, a Presidential level body where the most senior officials in State, Defense, the Military and other agencies could meet, debate, and help the President decide.

—*NSC committees and subcommittees* to sort out policy options and issues, manage crises and handle clandestine activities.

—*An NSC staff* to monitor the implementation of Presidential policy by the bureaucracy, serve as an honest broker between agencies and provide an independent and “disinterested” source of analysis, advice and staff work. It is also the President’s staff for his own diplomacy.

The current NSC system is generally structured along these functional lines.

In addition to assessing present and past systems, we have examined such alternative concepts as the “Ex Cab” proposed by Allison and Szanton.<sup>4</sup> We find it structurally unsound—the leaderless collegial

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<sup>4</sup> See footnote 3, Document 2.



committee of peers staffing the “Ex Cab” would likely fragment or deadlock. It is also substantively unsound—the consolidation of White House and NSC staffs would politicize the latter to the point of undermining its objectivity.

The key issue concerning the NSC system as a whole is whether it should be limited to national security issues as traditionally defined—defense and foreign policy—or whether it should be structured to explicitly address international economic and other interdependence issues, particularly those involving domestic policy. The NSC was originally created to provide for “the integration of *domestic*, foreign and military policies.” No President or NSC has ever accomplished this—particularly in regard to domestic policy.

Economics has been called the Achilles heel of the current NSC system. No senior interdepartmental group for economics was organized. In 1971 a Council on International Economic Policy (CIEP) was created but proved inadequate to the task. Today an Economic Policy Board (EPB) exists and the current Assistant for National Security Affairs, Brent Scowcroft, occasionally participates in its meetings. A senior NSC staff member for economic affairs attends all meetings of the EPB as the NSC representative. However, it is dominated by Treasury (Bill Simon in particular) and has been subjected to “end runs” because the attendance is stacked against serious consideration of the security aspects of economic issues such as the UK monetary crisis.

Economics is but one issue that cuts across foreign and domestic policy. There are others—nuclear policy, science, education, labor. All have, at one time or another, national security implications as well as domestic importance. All have received inadequate attention within the NSC framework. No Administration since World War II has given adequate attention to the interconnections between foreign and domestic policy.

#### *Recommendations:*

—*The NSC system should be retained.* It does not require replacement or radical surgery. However, its component elements require modification, streamlining and strengthening as outlined below.

—*International economic security issues, such as the UK financial crisis, OPEC and North-South negotiations, should be considered within the National Security Council framework.*

—*For this purpose, the Secretary of the Treasury, the Director of OMB and the Chairman of the CEA should attend NSC meetings to assist the President in integrating foreign and domestic policy.*



—An NSC directive on the organization of the new NSC system should be prepared and issued January 20. (A copy of NSDM 2, which established the Nixon NSC system, is found at Tab 1.)<sup>5</sup>

## 2. The NSC Committee Structure

A decision must be made on the future structure of the committee system which supports the National Security Council. Should the present structure be retained, modified or replaced? Should ad hoc committees be established to deal with interagency issues which are of immediate concern to the new President? Who should chair the committees and what departments/agencies should serve on them? Should Cabinet members sit on NSC committees? What are to be the responsibilities of each of the NSC committees?

There are seven *standing* committees of the Ford NSC. A “wiring diagram” is found at Tab 2.

—*The Washington Special Actions Committee* manages crises. It met most recently during the Korean “tree-chopping” crisis.<sup>6</sup> It is an institutionalized version of Kennedy’s ExCom, which met during the Cuban missile crisis. It is chaired by the Secretary of State.

—*The Operations Advisory Group* deals with clandestine intelligence activities. OAG was formerly known as the 40 Committee. As a result of Executive Order 11905,<sup>7</sup> issued by President Ford in February 1976, the membership of this committee was upgraded to include the Secretaries of State and Defense and the Attorney General and Director of OMB as observers. Review and approval procedures for sensitive intelligence activities, including CIA covert operations, are tighter today than ever before. The Committee is chaired by the Assistant for National Security Affairs.

—Executive Order 11905 also created the *Committee on Foreign Intelligence*. The Committee is responsible for preparing a consolidated intelligence community budget. The CFI was established to give the Director of Central Intelligence more clout over the intelligence community. It has gotten off to a shaky, but reasonable, start. Efforts to change its mandate at this point would likely lead to a reverse of what has been a step forward.

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<sup>5</sup> For NSDM 2, see *Foreign Relations*, 1969–1976, vol. II, Organization and Management of U.S. Foreign Policy, 1969–1972, Document 11. None of the tabs were found attached.

<sup>6</sup> On August 18, 1976, two U.S. Army officers were killed by North Korean troops in the Korean demilitarized zone while attempting to trim a tree.

<sup>7</sup> Executive Order 11905, February 18, 1976, reorganized the U.S. foreign intelligence community. See *Foreign Relations*, 1969–1976, vol. XXXVIII, Part 2, Organization and Management of U.S. Foreign Policy; Public Diplomacy, 1973–1976, Document 70.

—The *Verification Panel* develops arms control proposals and options (SALT, MBFR, CTB). The Panel was a Kissinger creation and is still chaired by him. The Panel was created to control the conflict between State, Defense and ACDA on arms control issues and to give Kissinger direct control.

—The *Defense Review Panel* was known as the Defense Programs Review Committee when it was established in 1969. Its purpose is to keep the annual Defense budget in line with foreign policy objectives. Kissinger, as Assistant for National Security Affairs, initially chaired it, but he was unwilling to take on the Pentagon and the Committee met infrequently. Last year, however, Secretary of Defense Rumsfeld became chairman and it has become an active committee. In recent months, it has undertaken a review of our overall military posture (NSSM 246)<sup>8</sup> and considered such matters as naval shipbuilding, tactical air deployments in Europe, and SALT contingency planning. One interested party, ACDA, is not represented.

—The *Senior Review Group* is primarily responsible for developing foreign policy options. It reviews the work of lower level Interdepartmental Groups (IG's) to be certain that issues, options and agency views are presented. It gives final approval to most NSSM's before they go to the full NSC. The SRG is currently chaired by the Assistant for National Security Affairs.

—The *Under Secretaries Committee* was based on the questionable assumption that there is a useful dichotomy between making policy and implementing it. As such, the USC was designed to be the chief implementing body for Presidential directives. Its importance has never been very great. In fact, a senior NSC official recently described it as a "cats and dogs" committee which hasn't amounted to "a whole hell of a lot."

Three comments should be made about the Ford NSC system.

First, *it responds to many of the enduring functions of the NSC system*. A committee manages crises (WSAG); a committee deals with clandestine intelligence activities (OAG); a committee develops arms control proposals and options (the Verification Panel); and several committees handle other interagency issues (the SRG, DRP, and USC). *No committee, however, addresses economic issues*. And a number of other current issues such as non-proliferation and counterintelligence are not adequately addressed in the current structure.

Second, *all but two of the seven NSC committees are chaired by department or agency representatives*. When Kissinger was the Assistant for

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<sup>8</sup> See *Foreign Relations, 1969–1976*, vol. XXXV, National Security Policy, 1973–1976, Document 102.

National Security Affairs, he chaired all of them. Thus, the system is more de-centralized now. This has had the effect of putting more authority back into the departments. The allocation of chairmanships reflects Kissinger's power rather than logic. A more rational scheme would require reallocation.

Third, *NSC committees with Cabinet level membership can dramatize interest in a particular subject, but as a practical matter do not work well.* With their crowded schedules, it makes it difficult to call meetings. When they *do* get together, their incentive is not to agree but to take the matter to the President. And to the extent they can agree, they either are limiting the President's options or they could have left it to their deputies. *Cabinet members can serve effectively as Chairmen, but Cabinet level officers should meet as a group with the President.* The function of NSC committees is to prepare for such meetings.

*Recommendations:*

The NSC committee system reflects the allocation of power and responsibility in any Administration. That is difficult to forecast now. Our recommendations are therefore somewhat tentative but reflect our best judgment at this stage.

—*The present NSC committee structure should be reorganized. Department officials should chair the majority of NSC committees in order to vest more authority in the departments.*

- The functions of the Senior Review Group and the Under Secretaries Committee should be consolidated into a single committee. It should be *renamed the Principals Committee*—and be chaired by the Secretary of State.

- The Secretary of Defense would chair a renamed *Defense Issues Panel* which would include ACDA.

- The DCI would continue to chair the *Committee on Foreign Intelligence*. State should be placed on the CFI.

- The Assistant to the President should chair the committee that deals with crises (not the Secretary of State) and it should be renamed the *Special Coordination Committee*. He should continue to chair the committee that advises on clandestine activities, renamed the *Intelligence Activities Advisory Committee*.

—*A Committee on International Economic Security* should be created to deal with economic issues in which U.S. foreign policy and security interests predominate. It should be chaired by the NSC Assistant with working groups chaired by the appropriate representatives from the departments—Treasury, State, Commerce—depending on the subject matter.

—Arms Control Issues should be handled *either* by a renamed Verification Panel (e.g. Arms Control Committee) chaired by the Assist-

ant to the President or by *ad hoc* groups that would have varying chairmanship. For example:

- *Ad hoc Committee on Strategic Arms Control*—chaired by Assistant to President

- *Ad hoc Committee on MBFR*—chaired by State

- *Ad hoc Committee on CTB*—chaired by ACDA

—*Other Ad Hoc NSC Committees or working groups should be established to deal with interagency issues of immediate concern to the new President.*

- An *Ad Hoc Committee on Non-Proliferation* should be created to coordinate the work of State, Defense, ERDA and other interested agencies.

- An *Ad Hoc Counterintelligence Committee* should be established to deal with electronic surveillance legislation, investigations of the KCIA, concerns about the security of U.S. telecommunications, and statutory charters for the FBI, the CIA and other intelligence activities.

—*Inactive NSC working groups should be abolished.* A current listing of inactive working groups is found at Tab 3.

(A new wiring diagram for NSC committees is at Tab 4.)

### *NSC Procedures*

#### 3. *NSSM's/NSDM's*

A decision must be made to either continue something along the lines of the NSSM/NSDM process or to establish some other means for identifying policy options and informing the departments and agencies of Presidential decisions. The NSSM/NSDM series was established by NSDM 1, issued January 20, 1969.<sup>9</sup> A copy is found at Tab 5.

In the interagency policy making process the NSSM/NSDM system puts the President and his NSC Assistant in control of both the “question” and the “answer.” NSSM’s are designed to generate policy options for the President and to provide a formal system for reviewing them. The process allows the departments and agencies to air their views and recommendations prior to a Presidential decision. Kissinger used NSSM’s to define the issue, to set the pace for the bureaucracy and, occasionally, to keep it tied up while he dealt with other matters. There have been over 200 NSSM’s issued since January 1969.

NSDM’s are currently used to promulgate Presidential decisions. Over 300 have been issued. Almost all Presidents have relied on some form of NSDM to announce policy decisions. Presidents Kennedy and

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<sup>9</sup> See *Foreign Relations, 1969–1976*, vol. II, Organization and Management of U.S. Foreign Policy, 1969–1972, Document 10.

Johnson, for example, issued National Security Action Memoranda (NSAM's). *The President-elect will probably want to rename this series so as to give it a separate identity.*

The NSSM issue is more complicated. The question of who issues requests for interagency studies such as NSSM's is a crucial one. A NSSM is an order for a study for the President. As such, it defines the problem, sets the terms of reference, assigns work to particular groups to prepare the response, sets a due date for completion and indicates which of the NSC committees will review the study.

Currently NSSM's are prepared by the NSC staff and issued by the Assistant for National Security Affairs or the President. An alternative would be for the Chairman of the relevant NSC committee (State, Defense or NSC) to issue study requests. This would give the Chairman more authority, but at the same time could lead to conflict among the Chairmen as to which group would study what. Moreover, the agenda of each group that would result might not adequately reflect the President's concerns and priorities.

The further alternative of conducting all interagency studies outside the NSC framework is unworkable.

*Recommendations:*

—*A system of NSC studies and directives should be continued.* NSC directives should be issued shortly after January 20 stating the disposition of all outstanding NSSM's and NSDM's, either that they will continue, be reviewed, or abolished. (A similar NSDM was issued February 3, 1969, on all NSAM's inherited from the Kennedy-Johnson years.<sup>10</sup> See Tab 6.)

—*The Assistant for National Security Affairs and his NSC staff should continue to have the responsibility to prepare NSC studies.*

*NSC Staff*

*4. Organization*

Decisions must be made on the structure, size and responsibilities of the NSC staff.

The present NSC staff consists of 125 people, of whom 47 are detailed from various agencies (e.g., State, Defense and CIA). This is about twice as large as the pre-Nixon figure. A "wiring diagram" of the current NSC staff is found at Tab 7. The major components of the staff include:

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<sup>10</sup> Reference to NSDM 5. (National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H-209, National Security Decision Memoranda, NSDM 5)

—*The Operations Staff* consists of 5 geographic offices and 2 functional offices. Eighteen professionals are assigned to the Operations Staff.

- The *European and Oceans Affairs office* is responsible for the thirty countries of Europe and law of the sea and oceans policy issues. It has a professional staff of 3.

- The *Middle East and South Asian Affairs office* has 3 professional staff members. One is assigned specifically to arms sales transfers and general military issues. He is on detail from Defense.

- Four staff members are assigned to the *East Asian Affairs office*. One deals exclusively with Chinese affairs, including Taiwan.

- Two professional staff members make up the *Latin American Affairs office*.

- The *African and UN Affairs office* has two professionals. The staff is responsible for actions on population and family planning, narcotics and the International Labor Organization.

- The *Scientific Affairs office* carries on the functions previously performed by the Office of Science and Technology (OST). The staff reviews the budget of NASA, ERDA, Transportation, Defense, ACDA, and the National Science Foundation. It is also responsible for a number of scientific and technical panels which have looked into such issues as the protection of U.S. telecommunications and non-proliferation. It has a professional staff of 2.

- The *International Economic Affairs office* has 3 professional staff members. It is responsible for a wide range of issues including international monetary policy, trade, relations with developing countries, energy and commodities. It participates in a number of interagency groups including the Economics Policy Board, the Agriculture Policy Committee, the Task Force on Questionable Foreign Payments, the East-West Foreign Trade Board, the Energy Resources Council, and the Under Secretaries Committee on North-South Issues.

—*The Program Analysis Staff* is a Kissinger innovation. Seven professionals are assigned to it. It has been invaluable in supporting the President with analysis of political-military issues such as arms control, SALT, MBFR, CTB, major defense weapons systems decisions and the Defense budget review of the White House. It is staffed primarily by those with experience in systems analysis.

—*The Planning Staff* is another Kissinger innovation. Four professionals are currently working on such issues as national contingency planning (e.g. Yugoslavia after Tito), security assistance and terrorism. By all accounts, this staff has been a waste of time. A senior NSC staff official has called it a “farce.”

—*The Intelligence Coordination Staff* is a recent creation. It services both the Operations Advisory Group (formerly the 40 Committee) and

the newly created Committee on Foreign Intelligence. Three professionals serve on the staff. It has recently completed a review of clandestine activities.

—Support to the NSC is provided by the *Office of the Staff Secretary*, the *Information Management Staff*, the *Administrative Office*, and the *Freedom of Information Staff*. Over half of the NSC staff—professional and non-professional—is assigned to these offices. The FOIA Staff is the most recent creation and in all likelihood it may have to grow to keep up with demand.

*Recommendations:*

—*The NSC Operations Staff should be reduced*, perhaps by as much as half. Replacements should be found for the head of each of the regional staffs, with the exception of East Asian affairs. This should be done prior to January 20.

—The Latin American, African, UN and South Asian staffs should be consolidated into a *Developing Nations Staff*.

—*The NSC Planning Staff should be abolished*.

—*The Program Analysis Staff should assume the functions of the Planning Staff. It should be renamed the Policy Analysis Staff*. Consideration should be given to making the Scientific Affairs Staff part of the new Policy Analysis Staff. The Director and Deputy Director of the Program Analysis Staff should be replaced before January 20.

—*The International Economic Affairs Staff should be strengthened and possibly enlarged*. You may want a Deputy Assistant for International Economic Security Affairs.

—*The Administrative Office should be folded into the Office of the Staff Secretary*, reorganized and reduced in size.

(A new wiring diagram for the NSC staff is at Tab 8).

### 5. *Personnel*

In addition to decisions on the structure, size and responsibilities of the NSC staff, decisions must be made on current personnel. Getting the key people on board as of January 20 is your number one priority. To do this you must identify the slots you want vacant as soon as possible. A personnel report is attached at Tab 9 which sets forth our recommendations in greater detail and provides a status report on recruitment efforts.

A book on prospective NSC staff personnel is available.<sup>11</sup>

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<sup>11</sup> Not found.



### *Presidential Boards*

A decision is necessary on three Presidential advisory boards—the President’s Foreign Intelligence Advisory Board (PFIAB), the Intelligence Oversight Board (IOB), and the General Advisory Committee (GAC). Membership is by Presidential appointment. Executive orders govern their activities, except for the GAC which was set up by the 1961 Arms Control and Disarmament Act.<sup>12</sup>

#### *6. The President’s Foreign Intelligence Advisory Board*

PFIAB was created in 1956 in part to preempt a move in Congress at the time, led by Mike Mansfield, to establish a Joint Intelligence Committee. The board ceased functioning when Eisenhower left office in 1961, but was reactivated by Kennedy following the Bay of Pigs. It has functioned, uninterrupted, ever since. The board is responsible for reviewing and assessing U.S. foreign intelligence activities. It reports to the President periodically on its findings. The board is quality-oriented. It has never served a “watchdog” function. PFIAB currently has 17 members and is chaired by Leo Cherne. See Tab 10 for a list of the current members of PFIAB. It has a staff of two and meets two days every other month. All the members will submit their resignations as of January 20.

There are serious questions as to the usefulness of PFIAB. Presidents have found the board (and still do) a convenient place to appoint distinguished private citizens. On occasion, the board has served a useful purpose. For example, PFIAB made a significant contribution to the development of our overhead reconnaissance program.

#### *Recommendation:*

*—At a minimum, the membership of PFIAB should be changed and its size reduced. Little would be lost if the board was abolished. If, at a later time, the new President needed outside intelligence advice, the board could be reactivated as President Kennedy did after the Bay of Pigs.*

#### *7. The Intelligence Oversight Board*

IOB was established by Executive Order 11905, issued by President Ford in February 1976. The board has three members—Leo Cherne, Robert Murphy and Stephen Ailes—and a staff of two. All three members also serve on PFIAB. The Oversight Board is to serve the “watchdog” role PFIAB never played. It reviews reports from Intelligence Community Inspectors General and General Counsels and reports,

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<sup>12</sup> P.L. 87–297.



periodically, to the Attorney General and the President on any activities which appear to be illegal or improper.

The idea of creating an Executive Intelligence Oversight Board was a good one. President Ford's appointments were not. To fulfill its responsibilities, the board must be active. It hasn't been. This is a reflection of the part-time nature of the board, its mandate, and its membership.

*Recommendation:*

—*The IOB should be retained and its responsibilities broadened. (This would be done through a revision of Executive Order 11905.) Its membership should be replaced. Consideration should be given to enlarging its staff.*

8. *General Advisory Committee*

The GAC was established in 1961 (by the Arms Control and Disarmament Act) to "advise the President, the Secretary of State, and the Disarmament Director respecting matters affecting arms control, disarmament, and world peace."

GAC is comprised of 15 members, all of whom are appointed by the President with the advice and consent of the Senate. A list of GAC members is at Tab 11. The Committee holds two-day meetings, usually four or five times a year. GAC generally meets with the Secretary of State twice a year. Staff support is provided by the ACDA.

Comments on the usefulness of the GAC are similar to those on PFIAB. It has, on occasion, made helpful recommendations on arms control and disarmament issues. On the other hand, one ACDA official commented that half the members of the committee fell asleep at the last meeting.

Pursuant to Section 14 of the 1972 Foreign Advisory Committee Act,<sup>13</sup> GAC will expire January 5, 1977, unless renewed for a two-year period prior to that time. Indications are that President Ford will renew the Board. All members of the Board, therefore, will submit their resignations January 20.

*Recommendation:*

—If a decision is made after January 20 to continue the GAC—and PFIAB—*consideration should be given to establishing a consolidated National Security Advisory Board, with ten to fifteen members. Working groups on national security issues (e.g. arms control, intelligence) could be established at the President's request.*

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<sup>13</sup> P.L. 92-463.

*Further Steps*

We would propose to meet with you to discuss these recommendations and subsequently to undertake the appropriate actions with your guidance.

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**4. Memorandum From the President's Assistant for  
National Security Affairs-Designate (Brzezinski) to  
President-Elect Carter<sup>1</sup>**

Washington, December 23, 1976

SUBJECT

The National Security Council System

I have reviewed the structure, activities and staff of the current NSC system. The recommendations which follow are designed to improve, streamline and rationalize the existing NSC system. They are intended to place more authority and responsibility in the departments and agencies and to insure that the NSC continues to integrate and facilitate foreign policy decisions.

*I. NSC Committee Structure*

The NSC committees are the heart of the NSC. This is where policy proposals are developed, policy reviews undertaken, and implementation of your decisions coordinated. A description of the current NSC committee system and of each current committee is found at Tab 1. A working diagram of that system is at Tab 2.<sup>2</sup>

*Recommendations:*

1. *Department officials should chair the majority of NSC committees.* When Kissinger was the Assistant for National Security Affairs, he chaired all of them. The system is more de-centralized now. This has had the effect of putting more authority back into the departments.

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 165, NSC Organization I. Confidential. Sent to Carter under cover of a December 23 memorandum from Brzezinski, who wrote: "In keeping with your telephone instructions of December 19, I have made a preliminary review of needed changes in the NSC organization and staffing, and I include my initial recommendations."

<sup>2</sup> Tabs 1 through 7 are attached but not printed.

However, the allocation of chairmanships reflects Kissinger's power rather than logic or Presidential responsibilities.

I believe we should have a more rational structure. Department officials should chair policy-oriented committees. The Assistant for National Security Affairs should chair those NSC committees responsible for review, coordination and crisis management.

2. *The present NSC committee structure should be reorganized and rationalized.* There should be seven NSC committees. Four should be policy-oriented and chaired by appropriate department officials. They would develop national security policy based on your guidance and direction.

The four policy committees would be:

—The *Policy Issues Committee* would combine the functions of the present Senior Review Group and Under Secretaries Committee, both of which deal with foreign policy issues that contain significant military and other inter-agency components. *It would be chaired by the Secretary of State*, not the Assistant for National Security Affairs as is presently the case.

—The *Defense Issues Committee* would replace the Defense Review Panel, and the *Secretary of Defense would chair it*. It would include a representative from the ACDA. It would deal with defense policy issues having international implications, such as NATO force posture and naval strategy and force levels. And, it would attempt, in accordance with its present mandate, to keep the annual Defense budget in line with foreign policy objectives.

—The *Foreign Intelligence Committee* would continue to be chaired by the DCI. *State would be placed on the committee*. It would continue to prepare a consolidated national intelligence budget and guide resource allocation within the community.

—A new committee—the *International Economic Security Committee*—would be created to deal with economic issues in which U.S. foreign policy and security interests predominate. *It would be chaired by the Secretary of the Treasury or the Chairman of the CEA*. Working groups of the committee would be chaired by the appropriate representatives from the departments—Treasury, State, Commerce—depending on the subject matter.

The four committees above would cover each of the broad policy areas with which you must deal in the field of international relations.

The following three committees are tailored to deal with more specific cross-cutting issues requiring coordination in the development of options and the implementation of Presidential decisions.

—The *Strategic Review Committee* would replace the current arms control committee, the Verification Panel. The panel was chaired by Kissinger when he was Assistant for National Security Affairs and he

held on to it when he moved to State. No one agency or department (e.g. State, Defense, ACDA) has exclusive jurisdiction in this area so the new review committee would be *chaired by the Assistant for National Security Affairs*. It would have subcommittees on Strategic Arms Control, MBFR, CTB, and Non-Proliferation.

—The *Special Coordination Committee* would replace the current crisis management committee (Washington Special Actions Committee). This committee was chaired by the Special Assistant until Kissinger became Secretary of State. Crisis management is conducted from the White House. The central crisis communication center is the White House Situation Room. The key crisis manager assisting the President should be a White House official, thus *the Assistant for National Security Affairs would chair this committee*. Actual command authority over military forces would continue to flow from you to the Secretary of Defense.

—The *Intelligence Review Committee* would replace the Operations Advisory Group. It would review all sensitive intelligence activities, including CIA covert operations, and make recommendations to you. The committee should be chaired by a “disinterested” party and one who is looking out for your interests. This committee would continue to be *chaired by the Assistant for National Security Affairs*. A Counterintelligence Subcommittee would be established to deal with electronic surveillance legislation, investigations of the KCIA, concerns about the security of U.S. telecommunications, and statutory charters for the FBI, the CIA and other intelligence agencies.

*I propose that the above NSC committee structure be approved.* A flow chart of the proposed new structure is found at Tab 3.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>3</sup>

## II. The National Security Council

In keeping with the recommendation above for an International Economic Security Committee, and without prejudice to the overall organization of economic issues, I recommend that those international economic and other interdependence issues which are pertinent to national security be considered in the NSC. This arrangement would not deal with such issues as monetary affairs, or trade and others which do not directly bear on national security.

### *Recommendations:*

3. *International economic security issues, such as the political ramifications of the UK financial crisis, OPEC and North-South negotiations, should be considered also within the National Security Council framework.*

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<sup>3</sup> Carter did not select any of the options.

For this purpose, *the Secretary of the Treasury should attend appropriate NSC meetings*. Consideration of economic issues within the NSC framework would not prejudice their consideration within other policy boards or committees you may wish to establish.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_

4. *The Director of OMB and the Chairman of the CEA should attend appropriate meetings of the NSC to assist you in integrating foreign and domestic policy.*

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>4</sup>

### III. *The NSC Staff*

The present NSC staff is composed of the Assistant to the President for National Security Affairs, his Deputy, 48 professionals and 77 administrative and clerical personnel. A brief description of the current NSC staff is contained at Tab 4. A “wiring diagram” is found at Tab 5.

#### *Recommendations:*

5. I propose to reorganize and reduce the size of the NSC staff. The professional staff can be reduced to 30 professionals, a cut of 33 percent. The non-professional staff cannot be reduced by a similar percentage because virtually all of them perform support functions, such as Freedom of Information Act analysts, Situation Room assistants, and secretaries. Despite this, the non-professional staff can be reduced, and I propose to eliminate ten slots initially and make further cuts later. Overall, I propose to reduce the size of the NSC staff from the current level of 125 to no more than 100, a reduction of 20 percent.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_

*The major features of my proposed reorganization of the NSC staff are as follows:*

6. *There should be two Deputies to the Assistant for National Security Affairs* rather than one. The first Deputy would be responsible for political/security issues including policy analysis. The proposed new Deputy would be charged with the responsibility for international economics, North-South relations, and global issues.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_

7. *The current Press and Congressional Liaison Offices should be consolidated into a single External Liaison Office* staffed by one professional.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_

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<sup>4</sup> For recommendations 3 and 4, Carter did not select any of the options.

8. *The offices of Planning and Science and Technology should be abolished and their functions, together with those now performed by the Program Analysis Staff, should be consolidated into a new Policy Analysis Office.*

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_

9. *The current Latin American, African and South Asian functions should be consolidated into a North-South Relations Office. In addition, international organizations, now a responsibility of the African desk, should be taken over by a newly created Global Issues Office which would be staffed by one professional and would also be responsible for human rights and environmental matters.*

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>5</sup>

An organization chart showing the proposed reorganization of the NSC is found at Tab 6. A breakdown of present and proposed manning levels is attached at Tab 7.

#### IV. NSC Procedures

A procedure for identifying policy options and informing the departments and agencies of Presidential decisions is required. National Security Study Memoranda (NSSM's) were issued by the NSC under Presidents Nixon and Ford to generate policy options and to provide a formal system for reviewing them. The process allowed the departments and agencies to air their views and recommendations prior to a Presidential decision.

Almost all Presidents have relied on some form of directive to announce national security policy decisions. Presidents Kennedy and Johnson, for example, issued National Security Action Memoranda (NSAM's). Presidents Nixon and Ford used National Security Decision Memoranda (NSDM's).

#### *Recommendations:*

10. *A new system of NSC studies and NSC directives should be established. The former should be named Presidential Review Memoranda/NSC; the latter should be named Presidential Directives/NSC.*

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>6</sup>

<sup>5</sup> For recommendations 5 through 9, Carter did not select any of the options.

<sup>6</sup> For recommendation 10, Carter did not select any of the options.

11. *A Presidential Directive/NSC on the organization of your National Security Council system should be prepared prior to your Inauguration and issued January 20.* This directive would set out in detail the specifics of recommendation 2 (above), if approved.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>7</sup>

12. *A Presidential Directive/NSC should be issued immediately after your Inauguration stating the disposition of all active NSSM's and NSDM's from the previous Administration.* I have begun a review of active NSSM's and NSDM's and will submit a disposition list to you shortly.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>8</sup>

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<sup>7</sup> For recommendation 11, Carter did not select any of the options. Presidential Directive/NSC-2 was issued on January 20, 1977. For the text, see Document 7.

<sup>8</sup> For recommendation 12, Carter did not select any of the options. Presidential Directive/NSC-3 was issued on February 11, 1977. (Carter Library, National Security Council, Institutional Files, 1977–1981, Box 3, PD-3) On Brzezinski's covering memorandum (see footnote 1 above), Carter wrote, "Zbig—I prefer a more drastic change. Since the committees are almost identical, I see no reason for a multiplicity of them. For instance, 'Defense Issues,' 'Policy Issues,' 'Strategic Review,' 'Intelligence Review,' & 'Special Coordination' all include the same top five persons (State, Defense, NSC Advisor, JCS, DCI). Why have 5 separate committees? ACDA, Treasury, OMB can be invited to attend depending on agenda. Also, for each meeting, I can designate a chairman to fit the agenda. Consider 'Economic Security' under CEA with you as member [?]. Please strive for maximum simplicity—J.C." The bracketed question mark is in the original.

**5. Memorandum From the President's Assistant for  
National Security Affairs-Designate (Brzezinski) to  
President-Elect Carter<sup>1</sup>**

Washington, December 23, 1976

SUBJECT

The National Security Council System

I have reviewed the structure, activities and staff of the current NSC system. The recommendations which follow are designed to improve, streamline and rationalize the existing NSC system. They are intended to place more authority and responsibility in the departments and agencies and to insure that the NSC continues to integrate and facilitate foreign policy decisions.

*I. NSC Committee Structure*

The NSC committees are the heart of the NSC. This is where policy proposals are developed, policy reviews undertaken, and implementation of your decisions coordinated. A description of the current NSC committee system and of each current committee is found at Tab 1. A working diagram of that system is at Tab 2.<sup>2</sup>

*Recommendations:*

1. *Department officials should chair the majority of NSC committees.* When Kissinger was the Assistant for National Security Affairs, he chaired all of them. The system is more de-centralized now. This has had the effect of putting more authority back into the departments.

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Subject File, Box 66, Transition Messages: Governor To #1-30, 11/76-1/11/77. Confidential. Brzezinski did not initial the memorandum. Secretary Vance described the reorganization of the NSC in his memoir: "Carter did not accept Brzezinski's proposal. He found it overly elaborate and too similar to the preceding structure. He ordered that a simpler system be devised in keeping with his desire to streamline government and to emphasize the authority of the department heads." (Vance, *Hard Choices*, p. 36) Brzezinski outlined his redesigned NSC in his memoir: "I suggested that the work of the NSC, in deference to the President's desire for simplicity, be organized into only two committees. One was to be the Policy Review Committee, to deal with the first three of the above categories [foreign policy issues, defense policy issues, and international economic issues] and to be chaired by the appropriate Secretary," and "the second NSC committee was to be called the Special Coordination Committee, and I recommended to the President that its very title required a chairman who was not a departmental head. It was to be charged with decisions regarding sensitive intelligence and covert activity, with the development of U.S. policy on arms control (and especially SALT), as well as with crisis management." (Brzezinski, *Power and Principle*, p. 59)

<sup>2</sup> Tabs 1 and 2 are attached but not printed.



However, the allocation of chairmanships reflects Kissinger's power rather than logic or Presidential responsibilities.

I believe we should have a more rational structure. Department officials should chair policy-oriented committees. The Assistant for National Security Affairs should chair those NSC committees responsible for review, coordination and crisis management.

2. *The present NSC committee structure should be reorganized and streamlined.* There should be two NSC committees instead of seven.

The first would be a *Policy Review Committee* to develop national security policy for your decision and based on your guidance on subjects that go beyond the sole responsibility of the individual agencies. This Committee would deal with such matters as:

- foreign policy issues that contain significant military or other interagency aspects;

- defense policy issues having international implications (such as NATO, force posture and Naval strategy) and the task of keeping the annual Defense Budget in line with foreign policy objectives;

- the preparation of a consolidated national intelligence budget (and other foreign intelligence responsibilities)<sup>3</sup>

- economic security issues in which U.S.-Foreign policy and security issues predominate.

Depending on the nature of the proposed agenda and subject matter being considered at a particular meeting, the President would designate the appropriate Chairman. In addition to the NSC Assistant and the statutory members of the National Security Council, or their representatives, participants in the Committee would include, as appropriate, Treasury, the Chairman of JCS, the Director of Central Intelligence, the Chairman of the Council of Economic Advisers, OMB, the Attorney General, ACDA, other Assistants to the President, etc.<sup>4</sup>

A special committee, the Special Coordination Committee,<sup>5</sup> would be created to deal with specific cross cutting issues requiring coordination in the development of options and the implementation of presidential decisions. It would deal with such matters as:

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<sup>3</sup> The sentence originally read: "the preparation of a consolidated national intelligence budget (and other responsibilities of the Committee on Foreign Intelligence)." Carter changed the sentence to read as it is printed.

<sup>4</sup> This list of agencies originally included ERDA, but Carter crossed it out and substituted "other Assistants to the President."

<sup>5</sup> Carter underlined "the Special Coordination Committee."

—arms control, for which no one agency (State, Defense, ACDA) has pre-eminent jurisdiction;

—the oversight of sensitive intelligence activities, such as covert operations which are undertaken on presidential authority;

—crisis management which as a practical matter is conducted by you from the White House with the support of your National Security Assistant.

The Special Coordination Committee would be attended by the statutory members of the NSC or their representatives, as well as other senior officials as deemed appropriate by the President. It would be chaired by the Assistant to the President for National Security Affairs.

APPROVED\_\_\_\_\_<sup>6</sup>

DISAPPROVED\_\_\_\_\_

COMMENTS\_\_\_\_\_

## II. *The National Security Council*

In keeping with the recommendation above for an International Economic Security Committee, and without prejudice to the overall organization of economic issues, I recommend that those international economic and other interdependence issues which are pertinent to national security be considered in the NSC. This arrangement would not deal with such issues as monetary affairs, or trade and others which do not directly bear on national security.

### *Recommendations:*

3. *International economic security issues, such as the political ramifications of the UK financial crisis, OPEC and North-South negotiations, should be considered also within the National Security Council framework. For this purpose, the Secretary of the Treasury should attend appropriate NSC meetings.* Consideration of economic issues within the NSC framework would not prejudice their consideration within other policy boards or committees you may wish to establish.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_

4. *The Director of OMB and the Chairman of the CEA should attend appropriate meetings of the NSC to assist you in integrating foreign and domestic policy.*

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>7</sup>

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<sup>6</sup> On the "APPROVED" line, Carter wrote, "OK. J.C. Prepare appropriate directive—obtain comments & then send to me for approval." See Document 7.

<sup>7</sup> For recommendations 3 and 4, Carter checked the "APPROVE" lines.

### III. *The NSC Staff*

The present NSC staff is composed of the Assistant to the President for National Security Affairs, his Deputy, 48 professionals and 77 administrative and clerical personnel. A brief description of the current NSC staff is contained at Tab 4. A “wiring diagram” is found at Tab 5.<sup>8</sup>

#### *Recommendations:*

5. I propose to reorganize and reduce the size of the NSC staff. The professional staff can be reduced to 30 professionals, a cut of 33 percent. The non-professional staff cannot be reduced by a similar percentage because virtually all of them perform support functions, such as Freedom of Information Act analysts, Situation Room assistants, and secretaries. Despite this, the non-professional staff can be reduced, and I propose to eliminate ten slots initially and make further cuts later. Overall, I propose to reduce the size of the NSC staff from the current level of 125 to no more than 100, a reduction of 20 percent.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>9</sup>

*The major features of my proposed reorganization of the NSC staff are as follows:*

6. *There should be two Deputies to the Assistant for National Security Affairs* rather than one. The first Deputy would be responsible for political/security issues including policy analysis. The proposed new Deputy would be charged with the responsibility for international economics, North-South relations, and global issues.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>10</sup>

7. *The current Press and Congressional Liaison Offices should be consolidated into a single External Liaison Office* staffed by one professional.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_

8. *The offices of Planning and Science and Technology should be abolished and their functions, together with those now performed by the Program Analysis Staff, should be consolidated into a new Policy Analysis Office.*

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_

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<sup>8</sup> Tabs 4 and 5 were not found attached.

<sup>9</sup> For recommendation 5, Carter did not select any of the options. He wrote in the margin, “cut maybe more now w/ only 2 committees.”

<sup>10</sup> For recommendation 6, Carter did not select any of the options. He wrote in the margin, “Not sure. Don’t duplicate CEA work. Include them when needed. J.”

9. *The current Latin American, African and South Asian functions should be consolidated into a North-South Relations Office. In addition, international organizations, now a responsibility of the African desk, should be taken over by a newly created Global Issues Office which would be staffed by one professional and would also be responsible for human rights and environmental matters.*

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>11</sup>

An organization chart showing the proposed reorganization of the NSC is found at Tab 6.<sup>12</sup> A breakdown of present and proposed manning levels is attached at Tab 7.<sup>13</sup>

#### IV. NSC Procedures

A procedure for identifying policy options and informing the departments and agencies of Presidential decisions is required. National Security Study Memoranda (NSSM's) were issued by the NSC under Presidents Nixon and Ford to generate policy options and to provide a formal system for reviewing them. The process allowed the departments and agencies to air their views and recommendations prior to a Presidential decision.

Almost all Presidents have relied on some form of directive to announce national security policy decisions. Presidents Kennedy and Johnson, for example, issued National Security Action Memoranda (NSAM's). Presidents Nixon and Ford used National Security Decision Memoranda (NSDM's).

#### *Recommendations:*

10. *A new system of NSC studies and NSC directives should be established.* The former should be named Presidential Review Memoranda/NSC; the latter should be named Presidential Directives/NSC.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>14</sup>

11. *A Presidential Directive/NSC on the organization of your National Security Council system should be prepared prior to your Inauguration and*

<sup>11</sup> For recommendations 7, 8, and 9, Carter checked the "APPROVE" lines. Adjacent to recommendation 8, Carter wrote in the margin, "if now within NSC."

<sup>12</sup> Tab 6 is attached but not printed.

<sup>13</sup> Tab 7 was not found attached.

<sup>14</sup> For recommendation 10, Carter checked the "APPROVE" line. He signed Presidential Directive/NSC-1, "Establishment of Presidential Review and Directive Series/NSC," on January 20. (Carter Library, National Security Council, Institutional Files, 1977-1981, Box 165, NSC Organization I)

issued January 20. This directive would set out in detail the specifics of recommendation 2 (above), if approved.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>15</sup>

12. *A Presidential Directive/NSC should be issued immediately after your Inauguration stating the disposition of all active NSSM's and NSDM's from the previous Administration.* I have begun a review of active NSSM's and NSDM's and will submit a disposition list to you shortly.

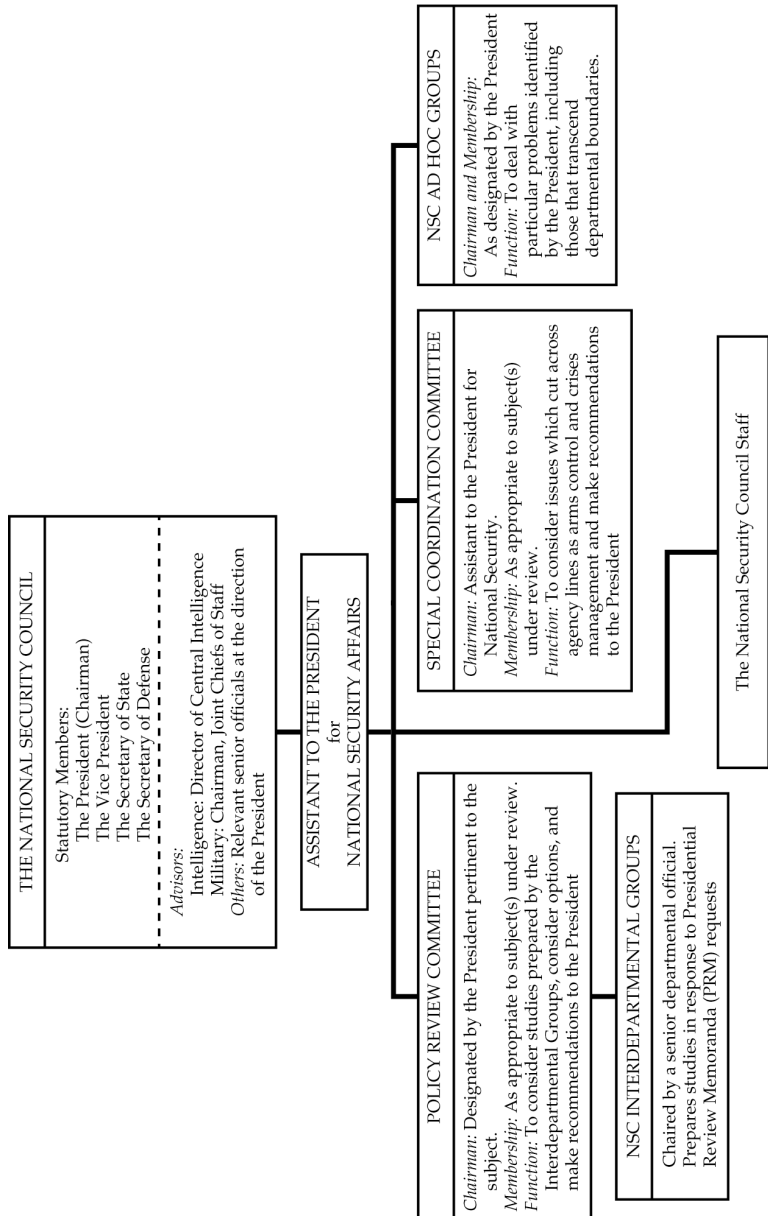
APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_ COMMENT \_\_\_\_\_<sup>16</sup>

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<sup>15</sup> For recommendation 11, Carter checked the "APPROVE" line. See Document 7.

<sup>16</sup> For recommendation 12, Carter checked the "APPROVE" line. Reference to PD/NSC-3; see footnote 11, Document 4.

## 6. National Security Council Organization and Functions Chart<sup>1</sup>



<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 165, NSC Organization I. No classification marking. The original is attached to an undated and unsigned brief overview of the National Security Council.

7. **Presidential Directive/NSC–2<sup>1</sup>**

Washington, January 20, 1977

TO

The Vice President  
The Secretary of State  
The Secretary of Defense

ALSO

The Secretary of the Treasury  
The Attorney General  
The United States Representative to the United Nations  
The Director, Office of Management and Budget  
The Assistant to the President for National Security Affairs  
The Chairman, Council of Economic Advisers  
The Administrator, Agency for International Development  
The Director, Arms Control and Disarmament Agency  
The Director, United States Information Agency  
The Chairman, Joint Chiefs of Staff  
The Director of Central Intelligence  
The Administrator, Energy Research and Development Administration

SUBJECT

The National Security Council System (U)

To assist me in carrying out my responsibilities for the conduct of national security affairs, I hereby direct the reorganization of the National Security Council system. The reorganization is intended to place more responsibility in the departments and agencies while insuring that the NSC, with my Assistant for National Security Affairs, continues to integrate and facilitate foreign and defense policy decisions.

a. *The National Security Council (NSC)*

The functions, membership, and responsibilities of the National Security Council shall be as set forth in the National Security Act of 1947, as amended. In addition, other senior officials, including the Secretary of the Treasury, the Attorney General, the United States Representative to the United Nations, the Director of the Office of Management and Budget, the Assistant to the President for National Security Affairs, the Chairman of the Council of Economic Advisers, the Director of the Arms Control and Disarmament Agency, the Chair-

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 165, NSC Organization I. Confidential. Carter initialed at the bottom of each page.

man of the Joint Chiefs of Staff, the Director of Central Intelligence, and the Administrator of the Energy Research and Development Administration, shall attend appropriate NSC meetings.

The National Security Council shall be the principal forum for international security issues requiring Presidential consideration. The NSC shall assist me in analyzing, integrating and facilitating foreign, defense, and intelligence policy decisions. International economic and other interdependence issues which are pertinent to national security shall also be considered by the NSC.

The Council shall meet regularly. The Assistant to the President for National Security Affairs, at my direction and in consultation with the Secretaries of State and Defense and, when appropriate, the Secretary of the Treasury and the Chairman, Council of Economic Advisers, shall be responsible for determining the agenda and insuring that the necessary papers are prepared. Other members of the NSC may propose items for inclusion on the agenda. The Assistant to the President shall be assisted by a National Security Council staff, as provided by law.

*b. NSC Policy Review Committee*

An NSC Policy Review Committee is hereby established to develop national security policy for Presidential decision in those cases where the basic responsibilities fall primarily within a given department but where the subject also has important implications for other departments and agencies. This Committee shall deal with such matters as:

- foreign policy issues that contain significant military or other interagency aspects;
- defense policy issues having international implications and the coordination of the annual Defense budget with foreign policy objectives;
- the preparation of a consolidated national intelligence budget and resource allocation for the Intelligence Community (thus assuming under the chairmanship of the Director of Central Intelligence the functions and responsibilities of the Committee on Foreign Intelligence); and
- those international economic issues pertinent to U.S. foreign policy and security, with staffing of the underlying economic issues through the Economic Policy Group.

I shall designate for each meeting the appropriate Chairman of the Policy Review Committee and attendance, depending on the subject matter being considered. Membership, in addition to the statutory members of the NSC and the Assistant for National Security Affairs, shall include, as appropriate, other senior officials.

*c. The NSC Special Coordination Committee*

A second NSC Committee, the Special Coordination Committee, is hereby established to deal with specific cross-cutting issues requiring



coordination in the development of options and the implementation of Presidential decisions. The Committee shall deal with such matters as: the oversight of sensitive intelligence activities, such as covert operations, which are undertaken on Presidential authority; arms control evaluation; and it will assist me in crisis management.

The Special Coordination Committee shall be chaired by the Assistant for National Security Affairs. Membership shall include the statutory members of the NSC, or their representatives, and other senior officials, as appropriate.

*d. NSC Interdepartmental Groups*

Existing NSC Interdepartmental Groups, chaired by a designated senior departmental official, are to continue as needed under the direction of the NSC Policy Review Committee.

The membership of the Interdepartmental Groups shall include the agencies represented on the NSC Policy Review Committee. Depending on the issue under consideration, other agencies shall be represented at the discretion of the Policy Review Committee.

*e. National Security Council Ad Hoc Groups*

When appropriate, I intend to appoint NSC Ad Hoc Groups to deal with particular problems, including those which transcend departmental boundaries.

**Jimmy Carter**

## 8. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>

Washington, February 19, 1977

### SUBJECT

Weekly National Security Report

Starting this week, I propose to give you each Saturday, as part of your weekend reading, a highly concise Weekly National Security Report. I think of it as a highly compressed statement, containing the following elements: some candid thoughts on the major trends or issues of the week (1. Opinions); capsulated summaries of some salient facts which may not have been brought to your attention in the course of the week (2. Facts); brief signals of things to think about or to look out for (3. Alerts); summary expressions of concern or of criticism (4. Concerns); and brief indications of foreign reactions to your policies and initiatives (5. Reactions). The NSC Staff and I will be glad to elaborate on any of the above, and I hope that this format will be useful to you. Perhaps after a few weeks you can let me know whether this is helpful or whether it is merely a redundant reading item.

[Omitted here are the following sections relating to foreign policy: Opinions, Facts, Alerts, Concerns, and Reactions.]

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<sup>1</sup> Source: Carter Library, Brzezinski Donated Material, Box 41, Weekly Reports [to the President]: 1-15: [2/77-6/77]. Top Secret; Codeword. Carter wrote at the top of the page, "I like it—J." In his memoir, Brzezinski described the importance of the weekly national security report that he submitted to the President: "To maintain the dialogue with the President, particularly on larger issues, I also initiated, approximately a month after his inaugural, the practice of sending him a weekly NSC report. It was meant to be a highly personal and private document, for the President alone. It contained usually some additional intelligence information or reports on policy implementation, as well as an occasional summary of more incisive papers written by NSC staffers, and frequently the report was opened by a brief one-page-long editorial piece by me, entitled 'Opinion.' In it I commented in a freewheeling fashion on the Administration's performance, alerted him to possible problems, conveyed occasionally some criticism, and attempted to impart a global perspective. . . . The reports also provided useful clues to the President's thinking. If his interest was engaged, even if he did not entirely agree, he would make copious marginal comments. On the other hand, if he was simply irritated by my report, as he sometimes was, it would come back with just the initial 'C' on the upper right-hand margin." Brzezinski added, "the four-year total amounted to 159 reports. All of that made for a continuing dialogue, which kept me informed of the President's thinking and also perhaps influenced it." (Brzezinski, *Power and Principle*, pp. 65-66)

## 9. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>

Washington, March 5, 1977

### SUBJECT

Weekly National Security Report #3

#### 1. *Opinions*

*Foreign Policy Design.* Judging from press reactions—both domestic and foreign—there is considerable appreciation of your dedication to more effective and far-reaching strategic arms control; there is awareness of the depth and sincerity of your concern over nuclear proliferation; there is remarkably widespread support for your position on human rights, which has done so much to revarnish America's moral credentials.

Moreover, through the various missions undertaken immediately after the inaugural (to Southern Africa, to the Middle East, to Panama, and to the Aegean) you have signaled clearly that the Administration will be activist, and that you yourself will be in the tradition of those presidents who have exercised a personally active leadership in foreign affairs.

However, I do not believe that at this stage the larger design of what you wish to accomplish has emerged with sufficiently sharp relief. I discern two immediate needs, both of which might well be corrected in your forthcoming foreign policy speech:

1. You need to express a more coherent vision of what we aim to accomplish, of what our priorities are, and of how you define the present historical era within which US foreign policy has to be shaped;

2. You need to convey to the public your awareness of the complexity of the problems that we confront; disappointments and setbacks are normal in international affairs and accomplishments tend to be the exception. We are setting in motion a process, and the public must be made to understand that the President and his associates understand that the problems we face will be with us for a long time to come, that there will be no easy solutions, and that the effort to build a more cooperative world framework will be tedious, painful, and frequently disappointing.

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<sup>1</sup> Source: Carter Library, Brzezinski Donated Material, Box 18, Weekly Reports [to the President]: 1–15: [2/77–6/77]. Top Secret; Sensitive. A handwritten "C" indicates that Carter saw the memorandum. All but the Alerts section of this memorandum is printed in *Foreign Relations, 1977–1980*, vol. I, Foundations of Foreign Policy, Document 26.

I think it is necessary to emphasize these themes especially because we are likely to confront two short-term dangers:

1. Given our disagreements with the French and the Germans over nuclear proliferation, and given the likelihood of some bitter disappointments with the British and the French over the Concorde, it is possible that in the short-term our relations with our principal allies may in fact deteriorate. Since this will be coinciding with the forthcoming summit, we should anticipate some rough sailing in alliance relations. This may be unavoidable but it is bound to produce some adverse comments, especially since we have put so much stress on giving priority attention to better relations with our friends. Your critics, both at home and abroad, will certainly emphasize such frictions as evidence of our inability to do what we said we would strive to accomplish. A more specific policy implication of the foregoing might be a more concerted effort on our part to try to minimize the negative fallout from both the nuclear proliferation and the Concorde problems, as well as more stress on those aspects on which we are in fundamental agreement with our allies.

2. Secondly, it is likely that in the foreseeable future our negotiations with the Soviets over SALT may prove more rocky and difficult than the public has been led to expect. The Brezhnev response to you<sup>2</sup> might be a foretaste of some very hard bargaining, and it is quite conceivable that our first report to the American people on SALT negotiations will have to emphasize not areas of agreement but the reasons why we have been unable to agree. Indeed, one of the forthcoming paradoxes may be that Paul Warnke before too long will be engaged not in "selling" a SALT agreement to hard-nosed skeptics who will be accusing him of excessive softness, but that he will be justifying to his friends in the arms control community why it was impossible for the United States to accept disadvantageous Soviet terms. Such an ironical twist, incidentally, might make Warnke even more useful than you had expected!

All of the foregoing points to the proposition that the time is now ripe for doing precisely what you have determined to do: to deliver a formal, comprehensive, and systematic speech. In my judgment, it should be short on promises, it should be analytical, and it should seek to integrate the various strands discussed above into a broader approach.<sup>3</sup>

[Omitted here are sections on Alerts, Concerns, and Reactions.]

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<sup>2</sup> The letter from Leonid Brezhnev, General Secretary of the Communist Party of the Soviet Union, to Carter concerned SALT. See *Foreign Relations, 1977–1980*, vol. VI, Soviet Union, Document 12.

<sup>3</sup> Carter wrote in the margin adjacent to this paragraph, "Plan for 3/17 at UN." Carter addressed the UN General Assembly on March 17. The text of the speech is in *Foreign Relations, 1977–1980*, vol. I, Foundations of Foreign Policy, Document 29.

**10. Memorandum From Samuel Huntington of the National Security Council Staff to the President's Assistant for National Security Affairs (Brzezinski) and the President's Deputy Assistant for National Security Affairs (Aaron)<sup>1</sup>**

Washington, April 9, 1977

SUBJECT

NSC and Congress

1. The discussion at Friday's staff meeting<sup>2</sup> concerning the NSC and Congress seemed to be somewhat confused. It might be useful to think of three different functions which have to be performed in the White House in connection with the increasingly active role of Congress in foreign affairs:

a. *Monitoring*, that is, keeping abreast and, indeed, ahead of Congressional activity in foreign affairs: introduction of bills and amendments, hearings, developments in congressional opinion, investigations, and the like;

b. *Decision-making*, that is, formulating in timely fashion an executive branch position on issues which come up in Congress;

c. *Lobbying*, that is, inducing the key congressional actors to support the executive branch position.

2. *Monitoring*. The departments obviously perform this function with respect to issues which concern them. The White House Congressional Liaison Office looks at issues which are of primary concern to the President, although my impression is their focus is largely domestic. This still leaves a gap in terms of monitoring overall national security issues from a Presidential viewpoint. Clearly the NSC ought to play a role here. Ideally, this function should be performed by individual NSC staff members keeping abreast of Congressional developments in their respective fields of specialization. My impression is that how well staff members perform this function varies greatly. Some are very fully tuned-in to Congress, maintain close contacts with congressmen and congressional staffers, and, as a result, are in a position to anticipate and respond to congressional developments in their field. Some others appear to be rather indifferent to Congress. Certainly, the NSC environment does not naturally encourage congressional contacts; the incen-

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Agency File, Box 11, NSC, 4–12/77. No classification marking. Aaron wrote at the top of the memorandum, "Hold for my meeting next week."

<sup>2</sup> April 8. Minutes of this meeting were not found.

tives are to fall into an easy pattern of interaction with embassy people, journalists, policy-analysts, and other bureaucrats—but not congressional types. Just as Jerry<sup>3</sup> performs a most useful function in reminding staffers about the importance of the press and advising them on whom and how to deal with the press, it might be desirable to have someone on the NSC staff to perform the same function with respect to Congress and to provide an overall monitor of congressional activity on national security issues.<sup>4</sup>

3. *Decision-making.* Judging by what Jessica<sup>5</sup> and others had to say, one problem has been the failure of the executive to take a decisive position on various measures which come up in Congress. Here Bill Hyland's suggestion of an interagency committee would seem to be an appropriate mechanism, since obviously the departments as well as the NSC will have to be involved in this process. Presumably the NSC participants in this committee would vary with the substantive issues up for discussion, but if there were an NSC congressional specialist, he could be involved in all the meetings and provide continuity.

4. *Lobbying.* Once an executive branch position has been formulated, the job of selling it to Congress has to rest primarily with the political leaders of the Administration and the congressional liaison offices in the White House and the departments. This is not something which the NSC staff should perform.

5. *Conclusions.* Given the important new role which Congress plays with respect to national security issues, it is highly desirable to develop the capability in the NSC staff to provide for the effective monitoring of congressional activity in the national security field and to play a leading role in insuring the prompt formulation of an executive position on these issues. And the Congressional Liaison people should be assured that the NSC has no intention of invading their turf.

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<sup>3</sup> Jerrold Schecter, White House Press Secretary.

<sup>4</sup> An unknown hand wrote in the margin next to this sentence, "Schecter is our Congressional liaison." The Congressional Liaison Office was created as a separate entity (from the Press Liaison Office) in March 1978. Madeleine Albright served as the Congressional Relations Officer beginning in March 1978. See Brzezinski's *Power and Principle*, Annex III.

<sup>5</sup> Presumably Jessica Tuchman Mathews, who was an NSC Staffer in the Global Issues Functional Cluster.

**11. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to Director of Central Intelligence Turner<sup>1</sup>**

Washington, April 13, 1977

SUBJECT

NSC/CIA Liaison on Information/Intelligence

Now that the Administration is nearly three months old, it has occurred to us that it might be valuable to have a working-level meeting between the NSC staff and people at CIA who direct preparation of intelligence and other materials which we use.

There have been a number of conversations between individual NSC and CIA people about information flow, along the lines of the following questions:

—What kinds of information/intelligence are most useful to the NSC, and in what format?

—What kinds of information have proved to be most useful, and what could usefully be revised or eliminated?

—How can CIA officers best learn of the needs of NSC personnel on a timely basis, so that analyses will be ready before decisions/problems are upon us?

—How can CIA best communicate a sense of impending problems/issues, so that NSC can best use CIA analyses and judgments?

If you agree with the value of a meeting to discuss these questions, I would propose that the NSC staff meet with people whom you designate—perhaps half a dozen—for an hour or two sometime in the near future.

I would welcome your comments.

**Zbigniew Brzezinski<sup>2</sup>**

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Agency File, Box 2, Central Intelligence Agency, 1–8/77. Confidential.

<sup>2</sup> Brzezinski initialed above this typed signature.

## 12. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>

Washington, November 18, 1977

SUBJECT

NSC Weekly Report #37

### 1. *Opinion*

Soon it will be one year since you assumed office, a time long enough for a generalized public impression of your foreign policy to have developed and to have taken hold. While I believe that the various initiatives you have taken have been right, and individually correct, I feel that we are confronting a growing domestic problem involving public perception of the general character of that policy. To put it simply and quite bluntly, it is seen as "soft."

That, in turn, could hurt us on such issues as SALT or Panama, and the Republicans are increasingly likely to focus on this issue, hoping to capitalize also on conservative democratic support, charging that our policies have been "soft" substantively while lacking consistency in execution.<sup>2</sup>

Our critics are likely to cite as examples of "soft" policies our initiatives regarding Cuba, Vietnam, Korea, and SALT, as well as your decision on the B-1. They might also argue that we have retreated on human rights, while generally being tougher on conservative than on communist regimes; that the joint US-Soviet statement on the Middle East is a sign of excessive trust in the Soviet Union; and they might also try to generate opposition to our policy regarding South Africa. They will ask for some examples of "toughness", and exploit against us such things as the Soviet intelligence activities here or the radiation bombardment directed at the US Embassy, or the current Cuban activity in Africa.

This is why the public pressure on Cuba regarding Africa came none-too-soon.<sup>3</sup> But perhaps there is a more generalized problem involved here, worthy of your consideration. For much of the last thirty years our foreign policy could focus simply on East-West issues, with most other policy dilemmas derivative of that central concern. Preoccu-

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<sup>1</sup> Source: Carter Library, Brzezinski Donated Material, Box 41, Weekly Reports [to the President]: 31-41: [10/77-1/78]. Top Secret; Sensitive. A handwritten "C" indicates that Carter saw the memorandum.

<sup>2</sup> Carter wrote in the margin adjacent to this paragraph, "Don't chicken out."

<sup>3</sup> Carter wrote in the margin beside this sentence, "It took me 6 months to get it done."



pation with the East-West issues, notably with the Soviet threat, permitted Presidents to mobilize public support through an appeal to *emotion*.

In contrast, we now confront a much more complex world, in which our foreign policy has to be conducted on a variety of levels. This necessarily means greater reliance on *reason*, but the public is not inclined to support foreign policy through reliance on cerebral processes alone.

The human rights issue initially did provide the needed emotional cement between you as the President and the public in general. In one way or another, the vast majority of Americans strongly identified your foreign policy with that morally appealing concern.

The above considerations lead me to the following two conclusions:

(1) You ought to take, before too long, a decision of some sort either on security or foreign policy matters that has a distinctively “tough” quality to it; for example, European security and the neutron bomb, as well as a speech on defense policy might provide the needed opportunity;

(2) In a subtle, but persistent, fashion you also ought to re-identify yourself quite directly with the human rights issue even if it means some resentment abroad, notably from the Soviets.

The combination of the two—realism plus idealism—will make it easier for you to generate the needed support on such complex matters as Panama or SALT or the Middle East.

[Omitted here are sections relating to foreign policy: Facts and NSC Activities.]

### 13. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>

Washington, February 24, 1978

SUBJECT

NSC Weekly Report #48

#### 1. *Opinion: On the Psychology of Presidential Power*

Let me share one general impression. It does not bear on any specific policy matter, but it may nonetheless be pertinent to a number of policy issues: a President must not only be loved and respected; he must also be feared.

We have been remarkably lucky in our first year in not having any major domestic or international crisis. At the same time, we confront a number of lingering problems, the resolution of which at some point will require very firm and decisive action. The Middle East is one of them, the African Horn may be another, SALT looms further down the road. In all of them, at some point it may be necessary to cut the Gordian knot.

In the meantime, I suspect that an impression has developed that the Administration (and you personally) operates very cerebrally, quite unemotionally. In most instances this is an advantage; however, occasionally emotion and even a touch of irrationality can be an asset. Those who wish to take advantage of us ought to fear that, at some point, we might act unpredictably, in anger, and decisively. If they do not feel this way, they will calculate that simply pressing, probing, or delaying will serve their ends. I see this quite clearly in Begin's<sup>2</sup> behavior, and I suspect that Brezhnev is beginning to act similarly.

This is why I think the time may be right for you to pick some controversial subject on which you will deliberately choose to act with a degree of anger and even roughness, designed to have a shock effect. Obviously, the timing and the object ought to be calculated very deliberately; and Congressional support should be mobilized.

The central point is to demonstrate clearly that at some point obstructing the United States means picking a fight with the United States in which the President is prepared, and willing, to hit the opponent squarely on the head and to knock him down decisively. If we

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<sup>1</sup> Source: Carter Library, Brzezinski Donated Material, Box 41, Weekly Reports [to the President]; 42-52: [1/78-3/78]. Secret. A handwritten "C" indicates that Carter saw the memorandum.

<sup>2</sup> Menachem Begin, Prime Minister of Israel.

do not do this soon to somebody, we will increasingly find Begin, Brezhnev, Vorster, Schmidt, Castro, Qadhafi, and a host of others thumbing their noses at us.

[Omitted here are the following sections relating to foreign policy: Facts and Alerts.]

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**14. Memorandum From Madeleine Albright of the National Security Council Staff to the President's Assistant for National Security Affairs (Brzezinski)<sup>1</sup>**

Washington, April 12, 1978

SUBJECT

Foreign Policy Meetings with Congressional Leaders

The SFRC and the HIRC have 53 members. In addition, there are members of the Armed Services, Appropriations, and Intelligence Committees on both sides of the Hill who have an active interest in foreign policy. Furthermore, there are a number of Members who do not have specific foreign policy responsibilities, but are important and interested, i.e., Kennedy, Muskie.

You obviously cannot establish a close working relationship with 60+ people. I do think, however, that with a concerted effort and systematic meetings you can make a dent. The Members could be divided into the following groups: 1) the influentials, 2) the comers, and 3) those who by virtue of seniority or committee membership should not be ignored.<sup>2</sup>

Your relationship can vary from close consultation, mutual respect to comfortable communication. You should be able to call any Member and feel that the message you have to give is not only heard, but also understood. The Member calling you should have the same feeling.

Before I outline some possible formats and topics, I would like to make some general comments. I am sure you have heard them before, but at least not from me.

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 84, Subject Chron, Congress, 1–6/78. Administratively Confidential. Brzezinski wrote at the top of the memorandum, "Good memo. ZB."

<sup>2</sup> Brzezinski drew a line in the margin adjacent to this sentence.

Having just come from the Hill, I can assure you that Senators and Congressmen are just as concerned about their schedules as you are. Their days are jam-packed and, if it is possible, they are even less in control of their time than you are. They are really at the mercy of the Floor schedule.

For the most part the Members think of themselves as important policymakers. They believe that their constant contact with constituents gives them a more realistic perspective of American public opinion than appointed officials of any level. In any meeting that you have, you will find that as important as imparting information is listening to what the Members want you to hear and respecting their opinions. One point to keep in mind is that at least as far as the Senate is concerned, many Members have run for President or thought about it. They are not easily awed—at least not visibly. Also, many of them have a lot of Washington experience. From my Muskie experience, I can tell you that he does not just want to be stroked, he wants his advice to carry some weight.

I know from various contacts with you over the years that you like to feel that you have accomplished something during a meeting. You will rarely have that feeling after one encounter—it is a slow process of building mutual confidence.

#### *Format*

In considering types of meetings, one point must be kept in mind, getting a large group together in most cases is counter-productive. A Chairman or Senior Senator will not want to meet with you in a group. Junior Senators and Congressmen could come in groups of 5 or so.

#### *Alternative Formats*

1. Wednesday morning breakfasts, 8:30–9:45<sup>3</sup>
  - a. A good time to get Members on their way to the Hill.
  - b. Suitable for groups and could be scheduled in advance.
2. After work meetings in your office
  - a. Timing on this is difficult because votes often bunch up at the end of the day.
  - b. This could be most spontaneous and useful for one on one discussions.<sup>4</sup>

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<sup>3</sup> Brzezinski checked number 1.

<sup>4</sup> Brzezinski checked number 2b.

### 3. Meetings on the Hill

- a. One on one meetings.
- b. Ask one Senator or Congressman to host and select the group or topic.<sup>5</sup>

### 4. Social

a. If it would be useful, I would be delighted to give a series of dinner parties. If I can guarantee your presence, I think we can produce most anyone. We could mix Senators, journalists, and opinion leaders.<sup>6</sup>

6. Use the Presidential box to invite Members to Kennedy Center.<sup>7</sup>

7. Tennis games.

### *Subjects*

The point is to find subjects which are not so immediate that you find yourself lobbying and not so long range that you are perceived as conducting a seminar with Members who cannot understand why their time is to be taken now. You have to keep in mind that the Members are being briefed on the subjects with which they have to deal and they are being bombarded with information in Hearings. What you should try to do *while seeking their advice*, is put the information in some type of framework for them.

In the last few weeks I have been talking to the NSC staff about the issues which they see as priorities. I have also talked to people on the Hill, and a meshing of interest produces the following possible topics, which must be fleshed out:

1. NATO—in the context of East-West relations
2. SALT
3. East Asian Policy—China, Korea, Japan
4. Current assessment of human rights policy
5. North-South issue/U.S. relations with developing countries
6. Cuban involvement in Africa
7. Rhodesia
8. Latin America in North-South context<sup>8</sup>

### *Timing*

So you can have some idea of what time frame we are talking about, the balance of 1978 can be viewed in four or five blocks of time, legislatively.

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<sup>5</sup> Brzezinski checked number 3b.

<sup>6</sup> Brzezinski double checked number 4a.

<sup>7</sup> Brzezinski checked number 6.

<sup>8</sup> Brzezinski wrote in the margin adjacent to these points, "Middle East?"

1. April 17–May 26	—	6 weeks
2. June 5–June 30	—	4 weeks
3. July 10–August 16	—	5 weeks
4. September 11–October 1	—	3 weeks
5. The Balance—		Election and post-election

During the April/May period action is concentrated in committee. This is the time that the Members are in their most intensive information-gathering period. June will be taken up with Appropriations bills. The four week July/August period will be spent on legislation passed by the other House and Conference Reports.

### *Procedure*

If it is possible I would like to be notified when you get an invitation from a Member.<sup>9</sup> Not that I want to control your life, but it will give me a chance to prepare some background for you on his interests and recent concerns. I have begun talking with key aides of each member in an effort to compile up-to-date profiles. Also, it has come to my attention that the so-called Danforth group which you agreed to meet with, per Rick,<sup>10</sup> was earlier rejected because no one had the chance to put the two requests together. (See Tab A)<sup>11</sup> If possible, it would be useful for me to attend the meetings with you so I can follow up.<sup>12</sup>

### *Recommendations*

The following are just a list of possible first meetings to get your reaction. I have not had a chance to talk with Frank Moore about them; nor have I had a chance to talk with Trudy and Jerry<sup>13</sup> about the meetings you have had this past year.

1. Meet with Alan Cranston—either in his office or in yours. Cranston is the best vote counter in the Senate, which is why he was named Whip. The problem is that Byrd likes to do his own tally and Cranston is less visible than was predicted. He is popular with his colleagues and very easy. I think it would be useful for you to sit down with him and lay out the Administration's security concerns and ask his advice about how to accomplish our program and whom to see. His advice on SALT strategy would be invaluable. (Once you have talked to him we should set up other meetings on SALT.)

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<sup>9</sup> Brzezinski underlined the words "from a Member" and wrote in the margin, "OK—tell TW." Trudy Werner was Brzezinski's personal assistant.

<sup>10</sup> Rick Inderfurth.

<sup>11</sup> Not attached.

<sup>12</sup> Brzezinski placed a check mark in the margin adjacent to this sentence.

<sup>13</sup> Presumably Jerry Schecter.

\_\_\_\_\_ Set up meeting

\_\_\_\_\_ Not interested now

Comments:<sup>14</sup>

2. Invite Senator Church to come to talk after work. As soon as Panama is over,<sup>15</sup> I think it would be useful for you to sit down with Church to discuss U.S. security interests. He missed the President's meeting on the Middle East and the briefing on the trip.<sup>16</sup> His staff called to say that he was upset about no notification on the Neutron bomb.

\_\_\_\_\_ Set up meeting<sup>17</sup>

\_\_\_\_\_ Not interested now

Comments:

3. Arrange breakfast meeting on NATO with group of Junior Senators to include Culver, Hart, Biden, Leahy. (Nunn belongs in the group but you are planning to meet with him separately.)

\_\_\_\_\_ Set up meeting<sup>18</sup>

\_\_\_\_\_ Not interested now

Comments:

4. Revive Danforth/Nunn invitation. They wanted you to talk about Soviet-Cuban military intervention in Africa.

\_\_\_\_\_ Set up meeting<sup>19</sup>

\_\_\_\_\_ Not interested now

Comments:

5. Invite Senator Inouye for after work chat. As Chairman of subcommittee on Foreign Operations of Appropriations, he is in a very important spot and you should get to know him well. He is most interested in East Asian policy. Furthermore, specifically we have been alerted by Senator Mathias that Inouye be briefed on the Middle East and peace negotiations so that he can be knowledgeable and help us hold the line at \$1 million in FMS in FY 79. (Quandt conveyed this message and is asking State/CIA for an analysis of the Israeli economy.)

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<sup>14</sup> Brzezinski did not select either option. Under "Comments," he wrote, "have met with him several times."

<sup>15</sup> A reference to the Panama Canal treaties, which were signed in September 1977, but were not ratified until April 18, 1978.

<sup>16</sup> A reference to Carter's trip to the Middle East January 3–4, 1978.

<sup>17</sup> Brzezinski checked this option.

<sup>18</sup> Brzezinski checked this option. Albright wrote in the margin, "Apr. 26—8:30–9:45 or May 3."

<sup>19</sup> Brzezinski checked this option.

\_\_\_\_\_ Set up meeting<sup>20</sup>

\_\_\_\_\_ Not interested now

Comments:

6. Resurrect meeting with Congressmen Maguire, Downey, Tson-gas, and Markey on Africa. We really have put them off on this too long. I have checked and they are a group of upcoming activist Mem-bers worth listening to.

\_\_\_\_\_ Set up meeting<sup>21</sup>

\_\_\_\_\_ Not interested now

Comments:

7. Check on availability of Presidential box and begin inviting House sub-committee Chairmen.

\_\_\_\_\_ Set up meeting

\_\_\_\_\_ Not interested now

Comments:<sup>22</sup>

8. Arrange dinner party with Senators Stevenson and Bayh and others.

\_\_\_\_\_ Set up meeting<sup>23</sup>

\_\_\_\_\_ Not interested now

Comments:

9. Senators Heinz and Weicker are great tennis players.

\_\_\_\_\_ Set up meeting

\_\_\_\_\_ Not interested now<sup>24</sup>

Comments:

If you approve of any of these possibilities, I shall check them out with Frank.<sup>25</sup> Also, I want to ask him if there are any Senators he thinks need to be seen immediately before or after the Panama vote on Tuesday.<sup>26</sup>

I have deliberately waited on the East Asian policy meetings until after I am somewhat clearer on the direction we are going in. But keep in mind that the Foreign Relations Committee is holding a hearing on aid to Korea May 1.

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<sup>20</sup> Brzezinski checked this option. Albright wrote, “?? Thurs—6:00–6:30.”

<sup>21</sup> Brzezinski checked this option. Albright wrote, “Ricki, alternate *Wed*” and “Wed May 10—2–3.”

<sup>22</sup> Brzezinski did not check either of the options. Under “Comments,” he wrote, “find me some dates.”

<sup>23</sup> Brzezinski checked this option.

<sup>24</sup> Brzezinski checked this option.

<sup>25</sup> Presumably Frank Moore.

<sup>26</sup> April 18.



*Professional and Business Groups*

I have begun to check on these groups and shall give you more information later.

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**15. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>**

Washington, August 4, 1978

SUBJECT

NSC Weekly Report #69

1. *Opinion*

*Negotiations/Consultations*

In our foreign policy we have placed primary emphasis on two different efforts:

1. Obtaining Congressional support for major but controversial (and hence politically costly) undertakings;

2. Negotiating the resolution of genuinely important issues (notably SALT, the Middle East, and Southern Africa).

We have done well on the former; we are making some progress on the latter.

I believe, however, that we need to engage also to a greater extent in *consultations*, the explicit purpose of which is to generate mutual understanding and the implicit consequence of which might be also some greater accommodation with the parties concerned.

For example, Andy's<sup>2</sup> great success in Africa is based not only on our approach to Rhodesia and Namibia but also on the series of consultative trips he has taken to the region and the rapport he has helped you establish with African leaders. Moreover, I believe it is fair to say that the Chinese would have never agreed to the kind of flexibility and movement that has now developed in our relationship if I had simply put a negotiating proposal before them on the table.

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<sup>1</sup> Source: Carter Library, Plains File, Box 9, NSC Weekly Reports 6–12/78. Secret. Carter wrote at the top of the memorandum, "Zbig—More on non-testing of depressed trajectory flights of SLBMs—J."

<sup>2</sup> Andrew Young, U.S. Representative to the United Nations until August 1979.

Prior to my visit, they were insisting that everything depended on normalization; now they have in effect accepted the segmentation of the relationship into three parts (the process of normalization; the expansion of *governmental* bilateral relations; consultations on international issues). But that emerged as a byproduct of prolonged discussions (some 15 hours) on broad subjects, which contributed to greater mutual understanding.<sup>3</sup>

I think we need to do that also with the Soviets. Nixon himself, using Kissinger in addition to negotiating with them, would occasionally engage in discussions in depth and at length, regarding our respective world viewpoints, interests, trends, etc., thereby also creating the context for some accommodation. We have not done enough of that—and Dobrynin has hinted to me as much. Given the present frictions, an effort to clear the air—but on the basis of firmness regarding those matters which we consider important (notably their military buildup and their conduct in the third world)—is needed.

Historically, a phase of friction in U.S.-Soviet relations has contributed to the emergence of new “rules of the game,” regarding either restraint in the use of conventional forces, or on strategic matters, or even regarding espionage. We now need to develop similar understandings regarding restraint and accommodation on such matters as the use of military proxies or direct military intrusion into third world conflicts. But that will require candid and prolonged discussions.

In general, our approach has been one in which we have focused on the negotiation of specific issues, in a legal-contractual fashion, somewhat neglecting the need to develop and sustain a political dialogue.

I would think that it would be especially useful if you would dispatch periodically Cy, me, Andy, and others—to talk to the principal leaders with whom we are trying to maintain or develop closer relations: this would be flattering even to Giscard, or Schmidt, or Fukuda—and certainly to the Shah, or Fahd, or Obasanjo, or Desai; and it would also be useful with Hua, or Tito, Gierek, Ceausescu, etc. This could supplement your direct personal contact with these leaders, and in some cases could reinforce any ongoing negotiations.

From the domestic point of view, doing the above would also convey the feeling that you are *deliberately orchestrating* some of the diversity of viewpoints around you on behalf of your strategic goals. Incidentally, the Soviets have long used, and quite effectively, the tactic

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<sup>3</sup> Brzezinski traveled to Beijing from May 20 until May 22. For the memoranda of conversation of his meetings, see Documents 108, 109, 110, and 111 in *Foreign Relations*, 1977–1980, vol. XIII, China. The United States and China re-established diplomatic relations on January 1, 1979.

of occasionally sending “hard” spokesmen to convey a soft message, and “soft” spokesmen to convey a hard message, in order to enhance the credibility of that message, and to show that the “soft” and “hard” options are deliberate instruments of policy and not merely reflections of internal vacillation. FDR did some of the same, and it is in your interest to promote also such a perception of yourself.

Finally, there is the fact that such consultations—conducted on a regular basis with ten or so top leaders around the world—would reduce some of the foreign misunderstandings and anxieties regarding our policy.

Cy is departing tonight for the Middle East where he will, in effect, carry out at least in part the kind of consultations I have in mind with leaders there.<sup>4</sup> In addition, I would suggest the following as further examples:

—A meeting on your behalf with Hua this fall when he visits Eastern Europe, or you personally might meet with Teng at Princeton if he comes to the UNGA (and that would be quite dramatic).<sup>5</sup>

—A mid-fall swing through Africa by Andy to consult on how the Rhodesian situation is evolving and the Namibian settlement being implemented. This might be accompanied by a special side visit by an emissary to South Africa.<sup>6</sup>

—A consultative visit to key European capitals (including some East European) and the Shah in the fall both on foreign policy and key economic issues.<sup>7</sup>

—If there is no U.S.-Soviet summit this year, broad consultations in Moscow (maybe even involving not only Cy’s but also my participation).<sup>8</sup>

[Omitted here is information unrelated to negotiations and consultations.]

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<sup>4</sup> Vance visited Israel and Egypt from August 5 to 9. For memoranda of conversation of his meetings, see Documents 285, 286, 287, and 288 in *Foreign Relations, 1977–1980*, vol. VIII, Arab-Israeli Dispute, January 1977–August 1978.

<sup>5</sup> Vance met with Chinese Foreign Minister Huang Hua in New York on October 3. For the memorandum of conversation of the meeting, see Document 138 in *Foreign Relations, 1977–1980*, vol. XIII, China.

<sup>6</sup> Records of Young and Vance’s meetings in Africa in October 1978 are scheduled for publication in *Foreign Relations, 1977–1980*, vol. XVI, Southern Africa.

<sup>7</sup> Vance traveled to Switzerland and the Soviet Union from October 19 to 24 for SALT negotiations, the United Kingdom from December 9 to 10 to address the Royal Institute for International Affairs, Switzerland from December 21 to 23 for SALT negotiations, and Belgium from December 23 to 24 to meet with the Foreign Ministers of Egypt and Israel. Vance did not hold meetings with Shah during the second half of 1978.

<sup>8</sup> For Vance’s reportage on his October meetings with Soviet officials in Moscow, see *Foreign Relations, 1977–1980*, vol. VI, Soviet Union, Documents 153, 154, 155, and 156.

## 16. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>

Washington, September 1, 1978

SUBJECT

NSC Weekly Report #71

### 1. *Opinion*

#### *Coordination*

Coordination in the area of national security and foreign policy will not work well unless the Departments feel that I speak for you when insisting that sensitive decisions be fully coordinated.<sup>2</sup>

This did not happen in the Dresser case<sup>3</sup> because the principals at State and Commerce, who in any case wanted a positive decision, felt that they knew better and directly what you wanted done; accordingly, Schlesinger's objections could be disregarded and NSC coordination short-circuited.

Similarly, on travel abroad and on speeches or testimony bearing on foreign policy, instructions that they be cleared through the NSC have lately, in some cases, not been followed.

Finally, effective coordination and frank discussion of issues is made more difficult by the epidemic of self-serving leaks designed to force you to take a given course, not to speak of the derogatory press comments by anonymous officials. I strongly suspect the former was the case with some ACDA officials in regards to SALT, or more recently to identify you directly with the State/Commerce Dresser decision,

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<sup>1</sup> Source: Carter Library, Plains File, Box 9, NSC Weekly Reports, 6-12/78. Secret. A handwritten "C" indicates that Carter saw the memorandum.

<sup>2</sup> Carter described the tensions between his advisers when we wrote, "There were some inherent differences in the character of the White House National Security Council staff and the State Department. I attempted to tap the strongest elements in each as changing circumstances demanded." (Carter, *Keeping Faith*, p. 53) Vance was more specific about the tensions when he wrote in his memoir, "I supported the collegial approach with one critical reservation. Only the president and his secretary of state were to have the responsibility for defining the administration's foreign policy publicly. As time went on, there developed an increasingly serious breach of this understanding. Despite his stated acceptance of this principle, and in spite of repeated instructions from the President, Brzezinski would attempt increasingly to take the role of policy spokesman." (Vance, *Hard Choices*, p. 35)

<sup>3</sup> A reference to the \$144 million contract for drill bits between the Soviets and Dresser Industries, which caused controversy because not all members of the Cabinet were informed about the deal. For additional information on the Dresser case, see *Foreign Relations, 1977-1980*, vol. VI, Soviet Union, Document 141.

thereby making any review of additional information or reclama look like an effort to reverse you.

It would be helpful if at an early Cabinet meeting you discussed the issues of discipline, coordination, and discretion.

[Omitted here is unrelated information.]

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## 17. Memorandum From Secretary of State Vance to President Carter<sup>1</sup>

Washington, undated

### SUBJECT

Priorities for 1979–80

It is quite possible that, in addition to normalization with Peking, we will achieve in the next month or two both a SALT II agreement and completion of the Tokyo Round of the MTN. An Egyptian-Israeli treaty is also possible if the next few weeks produce greater flexibility.

Success on even three of these four issues, on top of the Panama Canal Treaty, would represent historic foreign policy achievements for the first two years of your Administration. At the same time, it becomes especially important to look at some of the implications of such successes for our foreign policy priorities and activities over the next two years. I have been reviewing these priorities in some detail, and thought it would be useful to present for your consideration a summary of this review.

SALT, MTN, and the Middle East agreements, as well as China normalization, would mean that foreign policy issues will have a high visibility here in the U.S. as we head into 1980, despite the attention domestic priorities will receive in a time of fiscal austerity. The success of your first term will be greatly affected by our ability to gain Congressional approval of SALT and MTN agreements and measures related to China normalization. The difficulties of gaining such approval will be substantial, including likely erosion of the bi-partisan foreign policy

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<sup>1</sup> Source: National Archives, RG 59, Official Working Papers of S/P, 1977–1981, Box 1, Misc. re: Issue and Priorities, 1978. Secret; Nodis. Printed from an unsigned copy. At the top of the first page is a notation in an unknown hand, “12/28/78 orig to Secy Vance.” Also printed in *Foreign Relations, 1977–1980*, vol. I, Foundations of Foreign Policy, Document 107, from a copy with Carter’s handwritten comments.

support we have enjoyed. Efforts with the Congress on these issues should therefore have priority over all other foreign policy concerns. Their success would bring significant substantive benefits and consolidate the leadership position of the United States. Setbacks would be very damaging to our relationships abroad and the Administration's ability to gain domestic support on other foreign policy issues.

We should plan our other foreign policy initiatives in this context. The review of specific issues that follows seeks to do so.

At the same time we should keep in mind the shape of our policies as a whole, and the impression they convey. Two years ago, we recognized that the U.S. must manage a broad foreign policy agenda, including, in addition to the core security issues, new emphasis on concerns such as nuclear non-proliferation, human rights, limiting conventional arms sales, and development in the Third World.

It will be important that we maintain these goals, however we may shape our priorities and tactics during the next two years. Our human rights policies may come under increasing attack in certain domestic circles if friendly but authoritarian governments, where human rights have been an issue, give way to more radical or less friendly rule. Our nuclear non-proliferation concerns may well come under increasing pressure abroad. Without significant progress in gaining multilateral restraint, our unilateral conventional arms sales policies will become vulnerable. But, in each case, our goals are very important. We have been making progress on each issue. And our constancy on each is critical to our general credibility, even as we make pragmatic decisions about our tactics.

In presenting our policies publicly, *we should emphasize that the practical progress we have made on central issues (SALT, China, trade, the Middle East) is fundamentally strengthening both our relationships abroad and the international system.* We should also continue to hold out our longer term vision of a world in which we have not only helped stabilize East-West relations and diffused regional tensions, but also have made progress on issues which will determine the quality of life for succeeding generations—e.g., development in the Third World, limiting population growth, the law of the seas, preserving the environment. These concerns have helped give a special character to this Administration's policies. Our human rights policies, which I believe are well conceived and managed, provide the philosophical core of our approach to the world.

It will be especially important that we continue to work very closely with our allies abroad. We may find ourselves increasingly turning to them to share responsibilities in areas where we have in the past been able to exercise power almost exclusively on our own. This can be turned to our benefit by injecting increasing vitality and life into our

alliance relationships. As the international system becomes more pluralistic and, during the next year or two, as the financial resources we can use to support our diplomacy become more constrained, we need to help our public think all the more in terms of Western interests, influence, and power rather than exclusively in terms of U.S. interests, influence and power. Our diplomacy in Africa and Europe over the past two years, for example with regard to Namibia and Zaire, CSCE and Cyprus, illustrates the advantages of such an approach.

We must also continue to project confidence in Western and American power and policies. We should emphasize our defense modernization efforts and our strong ties to NATO, Japan, ANZUS and a growing number of developing countries. While firmly responding to Soviet activities in ways that emphasize our own advantages in the Third World, we should be careful not to emphasize excessively Soviet strengths and gains in our own statements. Doing so would create fears within NATO and here at home that we cannot manage East-West relationships effectively. If we were to let our rhetoric run ahead of the practical responses realistically available to us, we would create expectations about our ability to dominate events that we could not then meet. This plays into the critics' hands, and creates a damaging and erroneous impression of weakness. It would hurt us at home and abroad, and could be especially damaging in SALT debates.

Running through this analysis is the point that we must, during the next two years, give consolidation of gains on SALT, China, MTN and the Middle East priority over other policies and new initiatives. The following thoughts on our priorities for the next two years represent an effort to shape our tactics on the latter to fit the primacy of the former, while maintaining our goals and the special character of your foreign policies.

I have divided our priorities into three categories: 1) *crucial issues* on which success would have far reaching benefits; 2) *important issues* on which success would be valuable but less critical to our interests; and 3) some complicating *contingencies* on which we should keep an eye and for which we should quietly plan. On each issue, I suggest some of the opportunities and problems we will have to address.

#### I. *Crucial Issues*

A. *Middle East*: Success in concluding an Israeli-Egyptian Treaty, and in beginning to build further on the Camp David framework, would confer great substantive benefits and solidify perceptions of your foreign policy leadership.<sup>2</sup> This would ease the path of SALT and other policies and negotiations listed below.

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<sup>2</sup> The Camp David Accords were signed on September 17.



If we are able to gain an Egyptian-Israeli treaty, the next steps in building on the Camp David framework will be still more difficult than the Treaty negotiation. We face two basic problems:

—Concrete decisions will be required of leaders in the West Bank and Gaza who have never before had to make them, and who lack a decision making mechanism. These people are at the mercy, as individuals, of the winds blowing from Amman and Beirut (PLO). We must therefore make the potential of Camp David attractive enough in their eyes that they actively participate in the peace process, and gain the acquiescence and engagement of the other Arab parties.

—We will also have to deal with the hard reality that the Israelis do not see the advantages in a West Bank and Gaza accord that they may see in a Sinai agreement. On Sinai, they can see a realistically available alternative that is preferable to the *status quo* and therefore worth concessions on their part. There is no realistic alternative on the West Bank and Gaza that is preferable from the Israeli viewpoint, especially if normalization of relations with Egypt has been achieved.

On each of these two counts, progress will require positions on our part that are inherently unattractive to the Israelis. The settlements issue will become still more contentious. There will be fall-out on the Hill. We will have to manage all of this with real sensitivity to Israeli longer term concerns about our constancy.

The alternative to pursuing progress on the West Bank and Gaza is letting an Egypt-Israel bilateral treaty stand alone as a separate peace. To do this would probably result in our being on friendly terms only with Israel and Egypt, with the rest of the Middle East open for a return of Soviet influence. Saudi Arabia might not hold out against an Arab consensus at odds with Egypt and the U.S. A friendless Sadat regime would become more dependent than ever on us, and render precarious the stability of the bilateral treaty. Polarization between Egypt/Israel and the rest of the Arabs might also lead our European allies into increasingly pro-Arab positions. Moreover, we could be forced to consider allying ourselves with the Saudis to a degree we have not contemplated before in order to preserve as much as possible of our bilateral relationship. This itself could cause severe political problems domestically.

Thus, I believe that we should continue to press forward for the West Bank/Gaza agreement.

*B. Management of East-West Relations:* Now that the historic normalization with China has occurred, we need to reinforce a position of careful balance between Moscow and Peking, while improving relations with both. A “tilt” in either direction could dramatically increase world tensions and impair our ability to control the distance that it is in our interest to maintain between Peking and Moscow.



Furthermore, recent opinion polls show that our public overwhelmingly wants a balanced approach.

On dealing with Moscow, I think that we are following an approach that has earned the respect of the Soviets and the American people. The lowering of voices on both sides in recent months has reassured our friends and allies that the Administration is effectively managing this key international relationship.

Preparations for the Madrid CSCE Conference will require attention and allied coordination.

We must continue to press the Soviets for responsible behavior in other regions; their actions in the Third World affect our interests, and will become a major debating point for opponents of SALT. But, as I noted above, we should continue to emphasize Western strengths more than Soviet advances in our public statements.

The one change I would advocate is a more forthcoming attitude in approving U.S. sales to the USSR of non-strategic items. This will not only encourage U.S. business to pursue actively this potentially vast market, it will also allow us vigorously to promote U.S. entry into the opening Chinese market, while observing a policy of “even-handedness.”

I believe we should consider an effort to repeal Jackson-Vanik,<sup>3</sup> after SALT ratification, if the state of detente is positive, and if events in the Middle East are not complicating.

With regard to China, gaining Congressional approval of legislation relating to normalization will be our first priority in terms of timing. I expect that we will gain approval, but there will probably be attempts to add reservations or amendments (for example directing certain types of arms sales or relations with Taiwan) that we will have to beat back.

We should plan to conclude a number of basic agreements with Peking in 1979 which will enable us to expand our trade and exchange relationships. Settlement of claims/assets issues, a consular agreement, and formal bilateral agreements on some of the science and technical areas where we have already made progress are practicable. Given Peking's present mood of looking outward, particularly toward the West, we can also try to draw the Chinese more actively into several international issues, for example on refugees and disarmament, where they have showed reluctance in the past. Our decisions on technology transfer and on arms sales by our allies, however, are particularly

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<sup>3</sup> The Jackson-Vanik Amendment to the 1974 Trade Act (P.L. 93–618) denied most-favored-nation trade status to nations with non-market economies that restricted emigration.

sensitive in terms of the balance we want to maintain with the Soviets. We should move with great care in both these areas.

C. *SALT*:

Beyond the extraordinary substantive stakes involved, failure to conclude and gain approval of a SALT II Agreement would be seen as a major setback here and abroad. The negative effect on Soviet thinking about our relations could be profound and long lasting, especially as it would come at a time of transition in Soviet leadership.

The SALT debate itself could be abrasive for our relations with the Soviets. It must be made clear that we cannot go back to Moscow for last minute adjustments of the text, as it was possible to do with Torrijos.<sup>4</sup> We must also be wary, in managing the debate, not to be drawn into shifts in our policies elsewhere in the world that would damage our over-all relationship with the USSR.

We will face a number of decisions on how to relate the timing of other arms control initiatives and negotiations to the SALT II debate.

We are committed to beginning on SALT III soon after ratification of SALT II, and perhaps even before. The earlier we might gain an agreement that restrains theater systems such as the SS-20, the lower the level at which this program would be capped. But before pressing negotiations on gray area systems with the Soviets, we should be sure to develop a solid alliance consensus on how to handle this subject. Any allied concerns on SALT III and theater systems would play back directly into SALT II debates here. The priority we give to allied concerns may mean we should start SALT III discussions at a slow pace.

As suggested below, it could be very important to our non-proliferation policies that we reach agreement on a comprehensive test ban by the end of 1979; we should seek progress in the negotiations during the coming year, but not try to reach final agreement until after SALT II ratification.

The possibility that a SALT II agreement might create conditions for progress on MBFR is also considered below.

D. *Trade and the Dollar*: The importance of international economic issues to our own economy and to our political relationships abroad has become increasingly evident. Working to enhance the strength of the dollar, which depends primarily on the anti-inflation program, remains crucial.

1979 is likely to see a major struggle in the Congress over approval of an MTN package, as well as in response to the likely introduction

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<sup>4</sup> Omar Torrijos Herrera, Chief of the Panamanian Government. A reference to negotiation of the Panama Canal Treaty.

of new protectionist measures aimed at our major trading partners (especially Japan) and at the more advanced LDC's.

The stakes are very high, not only in terms of the economic benefits to us and the future of the international trading system, but also in avoiding the acrimony abroad that would follow Congressional rejection. Our relationships with Europe would be damaged; and trade is an even more important strand in our ties to Asian friends. This is, I believe, a major strategic issue.

Interagency planning of our Congressional strategy for MTN, led by STR, should be completed as soon as possible. It will be important, both on the merits and to help us sell an MTN package, that we press ahead with export promotion measures.

E. *North-South Issues*: We are considering ways in which we can move the international dialogue away from rhetorical exchanges about resource flows, to focus more on the concrete problems that must be solved. This means concentration on practical programs in health, agriculture, etc. We are developing a coherent strategy of tying some practical, modest initiatives to the major North-South conferences scheduled for the next two years. Such initiatives must be sized to our limited resources.

In any case, there will be major efforts needed—with the G-77, our Congress and the U.S. public—to gain agreement and support on commodities (including both the Common Fund and a number of individual agreements) and our AID appropriations for FY 80.

## II. *Important Issues*

A. *Western Asia*: A further breakdown of stability in this vital oil producing region can gravely affect our national security and that of our allies and could dangerously engage U.S. and Soviet interests. Domestic political concern could focus on perceived setbacks in the area, affecting a wide range of other Administration concerns, including SALT and our economic policies. There is an interagency effort to develop a coherent approach to this problem. Given the area's extraordinary diversity, this strategy will require a number of sub-strategies that can encompass local rivalries and conditions. An essential problem is that many of the instabilities flow from domestic difficulties over which we have little influence, and a resurgence of Islamic nationalism which presents challenges to our interests but also to the Soviets'.

B. *African Policies*: The greatly increased influence in Africa which our new policies have gained for us is likely to erode if we do not gain a Namibia settlement. In any case, a growing crisis in Rhodesia is likely. We must seek to position ourselves in a manner that can best help maintain confidence with African nations and manage East-West aspects. This means continuing efforts to consult the Front Line states;

making it clear that we are prepared to help the Rhodesian parties reach agreement whenever they wish us to do so and they have the will to negotiate; and voicing our concerns to the Soviets while carefully managing our public statements. Our impartiality among the Rhodesian parties will be increasingly important if, as seems likely, Rhodesia again becomes a lively Congressional issue. Our relations with Pretoria will need to reflect any progress in Namibia, but not go so far as to imply a backing away on apartheid.

C. *Mexico*: Your February trip reinforces the fact that we are starting to give the future of our relations with Mexico the proper attention.<sup>5</sup> Putting these relations on a solid basis of cooperation would pay handsome dividends over the next decades, both in reducing our dependence on Middle Eastern oil and in helping us manage together problems that could otherwise create constant tensions and domestic political problems for us both. We should approach the many complex issues with Mexico—including especially natural gas and migration—in the context of a positive, long-term strategy.

D. *Nicaragua and Central American Stability*: The Nicaraguan crisis has links and/or parallels to the situations in neighboring countries. Costa Rica, Panama and Venezuela are watching to see what we can accomplish. El Salvador and Guatemala share most of Nicaragua's political characteristics. A settlement in Nicaragua could help us encourage moderate evolutions in these two neighbors. Deterioration in Nicaragua will have repercussions here that could affect congressional action on such issues as Panama Canal Treaty implementation and AID levels.

E. *Nuclear Non-Proliferation and CTB*: Our non-proliferation policies have been designed and implemented well. We have had some success on a number of discrete issues (e.g., France and Pakistan), and the INFCE is a creative measure that could point the way to resolve some thorny technical issues.

But I am concerned about the potentially difficult period of late 1979/January–June 1980. Some twenty-two countries will then be candidates for renegotiation of our bilateral nuclear agreements. Most can be deferred or managed. But India will be very difficult.

In addition, the 1980 NPT Review Conference is scheduled for that June.

Success in these renegotiations—and the context of the Review Conference—will be strongly affected by the results of the INFCE, scheduled for completion in February, 1980; by progress in arms control negotiations among the nuclear powers; by the confidence potential

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<sup>5</sup> Carter traveled to Mexico from February 14 until February 16, 1979.

proliferators like Korea and Taiwan have in their security and our assurances; and by attitudes toward the U.S. as a reliable nuclear fuel and technology supplier.

If the INFCE results are inconclusive, and we do not have a good case to make on arms control among the nuclear powers, we could easily see a backlash against the NPT at the Review Conference. A number of the more than 100 nations which have ratified the Treaty could renounce it.

Particularly important, both for the Review Conference and the Indian renegotiation, will be agreement on a CTB. Yet a CTB treaty would have rough sledding on the Hill. I would recommend that we seek to reach a CTB agreement after SALT II ratification, toward the end of 1979 or early 1980, and then consider whether, rather than moving promptly for ratification, we should send it to the UN Committee on Disarmament for its review. This would please the Indians and others, and could defer contentious Senate debate until after our elections.

*F. Other Arms Control Initiatives:*

A SALT II agreement might make it possible to gain the political level decisions necessary to make progress at the MBFR talks. The primary focus will remain on the Soviet position on data; we must remain firm here.

We might wish to look at ways of bringing the French into the discussions, perhaps by adding a few new participants and thus moving part way towards their proposed European Disarmament Conference.

With regard to conventional arms sales limitations, we will want seriously to review progress on multilateral restraint when looking this spring at our unilateral policies. But even if progress is minimal, we should avoid so dramatic a change in our own policies of restraint that we imply either final failure in seeking restraint by others, or that we have concluded our goal was misguided.

*G. Eastern Mediterranean:*

Progress on Cyprus is needed, both for the sake of Greek-Turkish rapprochement, including Greek reintegration into NATO, and to avoid a congressional backlash that could endanger our Turkish security assistance package.

Turkey's economic difficulties are profound, and could at some point create a political crisis that would be damaging to our interests. Our own ability to respond is limited, and we will continue to urge our European allies to think creatively about ways to form *ad hoc* multilateral arrangements that could complement IMF support. This is a part of a broader problem: how best to support financially troubled

important upper tier LDC's and weaker European nations. The IMF itself will bear an increasing load. We face an important effort next year to gain congressional authorization and perhaps appropriation of some \$5 billion for our share of an agreed 50 percent IMF quota increase, unless we decide to defer this request until the following year.

#### H. *Refugees:*

We plan to introduce new legislation that will simplify existing authorities and expand the ceiling for "foreseeable" refugees, thus reducing the pressure on the Attorney General's parole authority. I believe we should appoint a high-level Refugee Coordinator to focus interagency actions, so that the issue receives the priority concern that it deserves.

The Select Commission on Immigration and Refugee Policy, mandated by the Congress last September, should get under way early next year. Its terms of reference will be very broad. Its report, due October 1, 1980, offers an opportunity to pull together a more coherent way of managing this complex and politically charged area.

#### I. *Normalization with Angola, Iraq, Cuba and Vietnam, etc.:*

Normalization of relations with such countries should remain our goal, as part of our vision of a more stable international system. And in each case, normalization would be a useful step in expanding U.S. influence and posing a counterweight to substantial Soviet interests and influence. But the complexities of normalization are real in each case and the domestic political context must always be given full weight. I would recommend, therefore, continuing caution but forward movement.

### III. *Contingencies*

A. *Possible Conflicts:* Zaire; Ogaden/Ethiopia-Somalia; Sino-Viet (Soviet); Egypt-Libya; Argentina-Chile (perhaps drawing in Peru and Bolivia).

B. *Possible Instability:* Turkey; Post-Tito Yugoslavia; Iran; China; Egypt; Poland; El Salvador; Saudi Arabia; Pakistan; Zambia; Romania; Sudan; the Philippines; and countries moving to democracy, e.g., Nigeria, Brazil, Ecuador, Bolivia.

C. Post-Brezhnev USSR.

D. Repolarized Arab world.

E. The Korean Peninsula during and after U.S. withdrawals.

F. Possible Soviet moves affecting Yugoslavia, Romania, other Eastern European nations, or China.

**18. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>**

Washington, January 26, 1979

## SUBJECT

NSC Weekly Report #86

This week I am giving you two items for your weekly report: a frank and personal midterm assessment; and several maps<sup>2</sup> which speak for themselves by graphically conveying what you and I recently discussed. I hope they are useful.

*1. Opinion: Midterm Assessment*

You have Cy's analysis of what we have accomplished thus far in your Administration as well as an outline of future priorities.<sup>3</sup> As you know, I generally agree with his analysis of our longer-term priorities. This brief note seeks to lay out, at the mid point of your Administration, the major issues and questions which will dominate our foreign policy concerns as you approach the 1980 election.

I believe there are four issues. First, what will be your principal foreign policy success *in 1980*? Second, how should we play out the implementation of the Camp David accords? Third, what do we do to maintain the crucial and delicate balance between ourselves, the Soviet Union and China? And fourth, what can be done to our national security process to overcome a deep-seated perception that we are in disarray—an image which gravely undermines the very real and substantive successes of this Administration.

*Achievements in 1980*

Your intense work over the last two years on SALT, the Middle East and China is bearing fruit. We are about to sign a SALT agreement, and with effort and firmness we might have a Middle East treaty. The Deng visit will dramatize a very real diplomatic accomplishment.<sup>4</sup>

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<sup>1</sup> Source: Carter Library, Brzezinski Donated Material, Box 42, Weekly Reports [to the President]: 82–90: [12/78–3/79]. Secret; Eyes Only. Carter wrote at the top of the page, “Zbig Interesting J.” The full text of this memorandum is printed in *Foreign Relations, 1977–1980*, vol. I, Foundations of Foreign Policy, Document 110.

<sup>2</sup> Not found attached.

<sup>3</sup> See Document 17.

<sup>4</sup> Chinese Vice Premier Deng Xiaoping visited the United States from January 28 until February 5. For documentation on Deng's visit, see *Foreign Relations, 1977–1980*, vol. XIII, China, Documents 202, 203, 204, 205, 206, 207, 208, 209, and 210.



But the question as we approach 1980 is what do we do for an encore. The achievement of the SALT summit will evolve into a long, possibly bitter and potentially inconclusive ratification debate. Legislative liaison experts now estimate we may not achieve Senate ratification before Thanksgiving and possibly not before Christmas. While ratification itself will be an achievement, it is hard to believe it will provide much political momentum for the campaign of 1980, especially if the Soviets in the meantime again do something that generates further public concerns about their motives and actions.

The problems of the Middle East are likely to drag on in one form or another. This is addressed in detail below. It is also true that we are likely to continue to have turmoil in Iran with wider international repercussions.

We have surveyed the possible achievements which we might seek that could come to fruition in 1980. Success in Southern Africa, if it is possible, will not have a great public impact. CTB is likely to produce a divisive debate in Congress. Conventional Arms Transfer Limitation will be a positive step but will not command enormous public attention. The same may be said for an Indian Ocean agreement or the establishment of some new rules regarding the proliferation of nuclear capabilities as the result of INFCE.

The only measure apart from those indicated below that might have a broad impact is the achievement of a first step MBFR agreement focusing primarily if not exclusively on U.S.-Soviet reductions in Central Europe. Such an agreement could well be signed at a Summit of the more than a dozen nations which participate in MBFR. It could be a significant political event, indicative of improving East-West relations. We could seek to time such an initial agreement for the spring of 1980, shortly before the Democratic Convention.

### *The Middle East*

Better still would be a significant breakthrough to peace in the Middle East. It seems clear that in any case fulfillment of Camp David will be an essential yardstick to measure the success of your Presidency. This will require additional direct and deep involvement on your part. I am still convinced that genuine progress is achievable.

However, we must recognize that the American Jewish community harbors deep suspicion of this Administration. This can only be overcome by a successful conclusion to the Israeli-Egyptian negotiations. Moreover, suspicion is easily rekindled—witness the resurgence of Jewish concern after the euphoria of Camp David.

In this situation I believe our strategy should be to make a maximum effort in the near future to conclude a treaty, to be followed by negotiations regarding self-government in the West Bank and Gaza.



Once the latter are underway, we would be able to lower the profile of our involvement in Middle East matters until after the 1980 election. This maximum effort should be made between now and late spring—to be followed by a gradual easing off on our part.

Another way perhaps of dealing with the linkage issue—in the event that it proves impossible to obtain a formal Israeli commitment to elections on the West Bank—might be an understanding between the Israelis and the Egyptians or between the Israelis and ourselves (with us conveying it to the Egyptians) that Israel will now undertake a series of unilateral steps designed to set in motion a political process on the West Bank/Gaza, pointing toward eventual self-government. This could involve release of some prisoners, fewer restrictions on political activity, the initiation of discussions on the subject of elections and the scope of authority for the self-government, self-restraint on settlements, etc. The point would be to substitute tangible Israeli actions for the formal commitment that the Israelis may be unwilling to make publicly (I will be exploring these and other ideas with Cy Vance and Bill Quandt, and the above is merely suggestive).

In any case, we have little time left for endless litigation of the issue, and within the next two weeks or so some basic strategic decisions concerning the rest of this year and next year ought to be made.

#### *US-USSR-China*

Normalization with China obviously carries with it the risk of Soviet over-reaction and miscalculations in both Peking and Moscow. We are now directly in the middle of a very delicate balancing act—one which is complicated by the fact that both Brezhnev and Deng are old and we could, even in the next few years, see significant governmental changes in both countries.

There is also a ripple effect. The Germans, for example, are already nervous that the Soviet response to our playing “the China card” will result in the Russians playing “the German card.” By this they are evidently concerned that pressure could be brought on Berlin or that some other aspect of Soviet-West German relations could be adversely affected.

Thus, it is extremely important for allied solidarity as well as global stability for this three-cornered relationship to be handled with the utmost care. From a political standpoint it is important to maintain momentum with both Peking and Moscow. I believe this means that you should plan on emerging from both the Deng visit and the Brezhnev visit with concrete plans to visit both China and the Soviet

Union before the 1980 election.<sup>5</sup> (You should make some tentative scheduling decisions on this even before you meet with Deng.)

Such summits in Peking and Moscow will not only enhance your own prestige but serve as a focus for structuring our relations with both China and the Soviet Union over the next 18 months. They will provide both reassurance of a continuing relationship with both countries and positive incentives for both to maintain a measure of restraint in their mutual relations.

My second recommendation is that you take more direct command of our relationship with the Soviet Union. You should insist on tight personal control of all actions affecting our relationship with the Soviet Union. You have taken this approach in regard to the Middle East and China with significant success. There is a potential for great disarray, given the different ideological views in your Administration. We cannot afford this disarray any longer, but it is likely to intensify in the absence of better discipline.

### *The Process*

This leads me to my final concern. Substantively, we are doing extremely well. You have dispelled the popular impression that you are not skilled in foreign policy. You have made real progress on a number of key issues, and today the U.S. has better relations with the more important countries in the world than *at any point* since 1945.

But as an Administration, we have not dispelled the notion that we are amateurish and disorganized and that our policies are uncertain and irresolute. (The latest issue of *Foreign Affairs* makes a very strong case to that effect, and that is becoming the conventional wisdom.) This is the direct result not of our policies but of the way in which almost anyone in the bureaucracy feels free to talk to the press, discuss and distort the most intimate decision-making processes, and generally promote themselves or their personal policy preferences. It is extremely destructive, not only of our foreign policy but of political support for this Administration. I am afraid I see no remedy to this problem short of a significant shake-up, particularly in the State Department. There are faults here in The White House, in the NSC, and certainly in Defense. But one cannot have a discussion with any journalist in this city without gaining the very clear impression that the leaks and misinformation coming out of the State Department are of unprecedented proportions.

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<sup>5</sup> Brezhnev did not visit the United States, nor did Carter visit the Soviet Union during the last two years of his administration. However, they did meet in Vienna June 14–18 to sign the SALT II agreement. See *Foreign Relations, 1977–1980*, vol. VI, Soviet Union, Documents 199, 200, 201, 202, 203, 204, 205, 206, 207, and 208.

I am prepared to direct my staff to have no conversations with the press whatsoever unless specifically authorized by me or David.<sup>6</sup> I believe we can similarly discipline the rest of the White House Staff. We should save our crackdown on the Pentagon until after we have SALT ratified; but this is not a major problem anyway, and we can take action against any outrageous examples of disloyalty or indiscretion (the Singlaub case had a constructive impact in DOD).<sup>7</sup> In the State Department, I believe the principal problem areas that require shaking up are: the Iran desk, which has consistently misrepresented your policy; the staff in the Human Rights office; some key people in the Secretariat, including those who deal with the press; and some Assistant Secretaries, who grind their own axes with the press (most recently on the question pertaining to the Kennedy<sup>8</sup> invitation to the Deng dinner). All of them, in different ways, have contributed to the public sense of disarray.

I have hesitated to set down this view for fear it would be misinterpreted. But I simply feel I would not be honest with you or myself if I did not express my deepening concern for the destructive impact of the undisciplined and unprofessional conduct that characterizes various parts of the bureaucracy in the State Department.

This kind of thing does not have to go on. It did not happen under Dean Rusk; it did not happen under Henry Kissinger; it did not even happen under William Rogers.<sup>9</sup> It is destructive, and I do think that you should consult some of your close political advisers (Ham, Jody,<sup>10</sup> etc.) on how best to reassert more effective discipline. I do not wish to offer advice along these lines because it could be misconstrued as being self-serving.

In sum, if our foreign policy efforts are not only to be successful but be perceived as such so as to contribute to your political strength in 1980, it is necessary to focus on those few issues which will come to fruition at that time. And it is important that we do so with a genuine sense of cohesion and loyalty. I want you to know that I myself and my staff will do our utmost to refrain from contributing to public disarray. A similar commitment elsewhere in the government should be required as well.

[Omitted here is a section entitled "Trends."]

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<sup>6</sup> David Aaron.

<sup>7</sup> Carter reassigned General John Singlaub after Singlaub publicly criticized U.S. troop withdrawal from South Korea. See Bernard Weinraub, "Carter Disciplines Gen. Singlaub, Who Attacked his Policy on Korea," *New York Times*, May 22, 1977, p. 1.

<sup>8</sup> Senator Edward Kennedy.

<sup>9</sup> Dean Rusk served as Secretary of State from 1961 until 1969; William Rogers served as Secretary of State from 1969 until 1973.

<sup>10</sup> Hamilton Jordan and Jody Powell.

## 19. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>

Washington, February 24, 1979

SUBJECT

NSC Weekly Report #89

### I. *Opinion*

#### *Foreign Policy: Tone and Orchestration*

You confront a paradox: everyone who has met with you, whether it be mass media dinner guests or participants in the Congressional foreign policy briefings, afterwards invariably say how immensely impressed they were by your mastery of foreign policy, by your knowledge of details, and by your ability to relate that knowledge to a broad vision. Just last night I was told that Mrs. Reston<sup>2</sup> commented after a dinner with you that she cannot recall any President who could match you in that regard. After one of the Congressional briefings, Tip O'Neill said that no one can have the slightest doubt that you are not only fully in charge of foreign policy but that you have a clear and coherent picture as to where this country ought to be heading.

Yet at the same time, it is a fact that both abroad and increasingly at home the United States is seen as indecisive, vacillating, and pursuing a policy of acquiescence. We are perceived as neither responding effectively to Soviet assertiveness and as unable to generate a broad strategy that is relevant to the times.

Why this incongruity?

Part of the answer, I suppose, is to be found in what you said at the State Department the other day:<sup>3</sup> we live in a complex age, and complexity does not lend itself to simple explanations. We can no longer color the world in shades of black and white, and we can no longer reduce challenges to a single phenomenon, be it Hitlerism or Stalinism. However, I suspect that part of the problem is also to be

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<sup>1</sup> Source: Carter Library, Brzezinski Donated Material, Box 42, Weekly Reports [to the President], 82-90: [12/78-3/79]. Secret. A handwritten "C" indicates that Carter saw the memorandum. Also printed in *Foreign Relations, 1977-1980*, vol. I, Foundations of Foreign Policy, Document 113.

<sup>2</sup> A reference to Sally Reston, wife of James "Scotty" Reston, a *New York Times* journalist. Carter wrote "good idea" followed by a downward pointing arrow in the margin adjacent to this sentence.

<sup>3</sup> A reference to Carter's remarks at a foreign policy conference at the Department of State for editors and broadcasters on February 22. For the text, see *Public Papers: Carter, 1979*, Book I, pp. 310-312.

located on a less philosophical plane, with some of it related to tone and orchestration.

For example, I think a genuine problem has been created by the press's fascination, exploitation and magnification of the so-called Vance-Brzezinski rivalry. To be sure, some differences do exist and you are not only aware of them, but, as you have often said, you do want divergent viewpoints presented to you. At the same time, the fact is that on most matters Cy and I are in basic agreement, and there has been no underhanded maneuvering to have one's point of view prevail.

As one looks back on previous administrations, one can note similar divergences, and in the case of FDR they were certainly much wider philosophically and more intense. The real difference is that FDR was seen as orchestrating and deliberately exploiting such differences whereas the press is now creating the impression that you are buffeted by them. You know and we know that this is not so, but it is the perception that is damaging.

Accordingly, it would be very useful if you took some deliberate steps to demonstrate that you are exploiting the differences while pursuing a steady course. Schram in a recent story asserted that this is exactly what you are doing and it was the first positive expression of that view.<sup>4</sup>

One way to achieve that objective would be to use Cy soon and visibly in relationship to China, and to use me in some fashion in relationship to the Soviet Union. For example, you told Deng that the United States and China should have regular consultations. When the crisis in Indochina is over,<sup>5</sup> it would be useful for Cy and some of his top assistants to go to Peking at your direction to engage in high-level discussions. Similarly, it might be useful, and domestically even appealing, to have me spend a couple of days in Moscow in consultations with the Soviets on issues of common concern, perhaps with my counterpart who works for Brezhnev. This could be in preparation for the Summit.<sup>6</sup>

With reference to the latter, I should note that we really have not had sustained and truly tough-minded "consultations" with the Soviets since you took office. Most of Cy's sessions have been primarily negotia-

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<sup>4</sup> A presumable reference to Martin Schram's February 8 article in the *Washington Post*, "China Policy: A Born-Again Brzezinski," p. A1.

<sup>5</sup> A reference to Vietnam's invasion of Kampuchea on December 25, 1978. The invasion resulted in the removal of the Khmer Rouge, but Vietnam remained in Kampuchea after the invasion as an occupying force.

<sup>6</sup> Neither of these proposed consultations took place. The Summit is a reference to Carter's meetings with Brezhnev in Vienna June 14–18.

ting ones, and I suspect that some of the misunderstandings that exist are due to suspicions that have become more intense. Kissinger, even while bombing Hanoi, did engage in such forthright consultations with the Soviets and they were mutually helpful in defining more precisely the limits of what is tolerable and what is not. At the minimum, I would suggest engaging in some soul searching with Dobrynin here on the basis of guidance cleared by you and Cy.

In addition, it might be useful for Cy to give a foreign policy speech in which he would stress some of the themes that you have recently expressed: the importance of power, and our recognition that relations with the Soviet Union may require from time to time a forceful American reaffirmation of our interests (e.g., in relationship to Iran, or peace in the Far East, or the Soviet military buildup). I am scheduled to give a speech before the Council on Foreign Relations in Chicago some time in late March or early April and my plan is to use it, subject to your approval, for a strong defense on SALT and for an explanation of its importance to our overall foreign policy.<sup>7</sup>

There may be other ways in which orchestration by you could be symbolically expressed, but I have the feeling that some initiatives along the lines suggested above are needed.

Finally, I attach a page from Nixon's memoirs which is very suggestive.<sup>8</sup> If we can combine a Camp David success with a wider Middle East regional security initiative and a comprehensive energy initiative, we might generate genuine momentum that would be politically significant.

## 2. *National Security Affairs Calendar* (see Tab A)<sup>9</sup>

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<sup>7</sup> Brzezinski made a speech on April 4 to the Chicago Committee of the Council on Foreign Relations. For the text, see the Department of State *Bulletin*, May 1979, pp. 48–51.

<sup>8</sup> Not found attached.

<sup>9</sup> Not found attached.

**20. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>**

Washington, April 12, 1979

## SUBJECT

NSC Weekly Report #94

*1. Opinion: Foreign Policy and Domestic Politics*

It is important that in 1980 you be recognized as the President both of *Peace* and of *Resolve*. Both dimensions are important to the American people, and the public wants reassurance on both scores. This is why it will not be possible for you to disengage entirely from foreign policy issues, but it also underlines the importance of being highly selective in the use of your own limited time and very conscious of the symbolic significance of Presidential involvement in world affairs. The basic fact is that the country wants its President to be a successful world leader and it will be influenced by that when it makes its choice in 1980.

This brings up immediately the question of *leadership*. Unfairly, the mass media have stimulated the widespread perception of this Administration as being indecisive in regard to foreign policy issues. Moreover, the same impression exists to a degree outside of the United States and it feeds back into elite perceptions here. For example, I recently met with some top Americans who have just come back from Western Europe; they all reported European impressions to that effect.

As I think of the last two years, the only two issues on which perhaps we might have taken a different course involved the ERW question and the nature of our response to the Soviet/Cuban military intrusion into Africa. In both cases, I would have favored a different policy, but I recognize that there were reasons for not doing so. On all other matters, this Administration has been both responsible and, when necessary, decisive (e.g., South Yemen).

I believe the root cause for the impression of indecisiveness is the unwillingness of our own public, and of those abroad, to understand that the complexity of the world we live in simply does not lend itself to simple prescriptions and clearcut solutions.

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<sup>1</sup> Source: Carter Library, Brzezinski Donated Material, Box 42, Weekly Reports [to the President], 82–90: [12/78–3/79]. Confidential. A handwritten “C” indicates that Carter saw the memorandum.

Nonetheless, *precisely because of that fact*, it is very important for you to deliberately counter the impression that American leadership is not firm. The answer is not some artificial *Mayaguez* affair<sup>2</sup> but rather more deliberate emphasis on U.S. strength and resolve in your public statements, and particularly in your public speeches.

You as the President should say from time to time that the U.S. is willing to use its force to protect its interests and those of our allies. Conversely, you should emphasize less often the notion that we no longer have the capacity to interfere in the affairs of other countries (factually correct but inferentially an admission of weakness), and you should also not hesitate to stress the need to counter forcefully Soviet ambitions or aggressiveness. It is not necessary always to couple the word “competition” with “peaceful” when you speak of the realities of the American-Soviet competition.

In addition, it might be helpful to stress more often your role as *Commander in Chief*. You will have an opportunity to do that in Korea, but you should also take advantage of some opportunities at home. For example, a commencement address at a service academy on the continued importance of national defense, on the value of patriotism, on the significance of loyalty and devotion in the military career might offer a useful opportunity to project the image of a leader who responsibly recognizes not only the limits but also the uses of military power in a complex age.

I believe the foregoing will be necessary to obtain SALT ratification. Those Senators who waver will want clear assurances that this Administration is tough, resolute and *determined* not to let the Soviet Union gain a politically exploitable advantage over us, particularly in the early 1980s. Some decisions on additional strategic systems—together with a forceful tone—will be helpful in seeking SALT ratification. Anne Wexler has made the same point to me, and her credentials as a liberal are doubtless better than mine.

Finally, given the inevitable domestic time pressures, you will need to discriminate very carefully in the future between the things you *must* do in order to maintain momentum in your foreign policy and to shore up your important tangible accomplishments; the things that you *should* do because of their potentially positive impact on both foreign policy and domestic politics; and things that you *should not* do because they either detract from your foreign policy accom-

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<sup>2</sup> A reference to the seizure of the U.S. ship *Mayaguez* by the Khmer Rouge and its rescue by the U.S. Navy in May 1975. See *Foreign Relations, 1969–1976*, vol. X, Vietnam, January 1973–July 1975.



plishments or because they would complicate your domestic political situation.

In the *must* category I would put the following items:

- Concluding MTN (though it will probably be politically costly);
- Ratifying SALT (the fight will be bruising but we have no choice);
- Maintaining a 3% defense budget increase (doing either more or less will entail political costs);
- Maintaining momentum on the follow-up to the Panama Canal Treaties, China normalization, the Common Fund, and to the minimum necessary on the Middle East peace efforts (in all cases, Presidential involvement only when necessary to avoid loss of momentum).

In the *should be involved in* category I would list:

—The scheduling of an Economic Summit for the summer of 1980 in Europe and *not* in Canada (with Italy perhaps the best location, permitting a meeting with the Pope);

—A trip to Moscow, following the Economic Summit, coupled perhaps with a CTB (which would not need to be ratified until 1981); perhaps also a China/ASEAN visit;

—Successful resolution of the U.S.-Mexico negotiations (which would have both a positive national as well as a southwestern regional impact);

—The acquisition of additional strategic systems (as a sweetener for SALT and as an indication of your resolve);

—An Arabian Gulf security policy (as a damage limitation initiative for the likely 1980 debate on the consequences of the loss of Iran);

—Initiatives pertaining to export financing in order to strengthen the U.S. international economic position;

—Some foreign visits here, with high potential for domestic impact.

In the *should not be involved* category, I would place:

—TNF, because it is likely to be divisive and politically not rewarding;

—Ongoing Middle East negotiations, because of their impact on the Jewish community;

—Any discussion of the Jackson-Vanik legislation;

—Troop withdrawals from Korea;

—Normalization without evidently tangible benefits to the U.S. with Cuba, Vietnam or Angola.

—African issues (our current policy does not deliver enough to satisfy the Africans, while it excessively frightens the Whites—in both cases because of the uncontested Soviet/Cuban military option).

Obviously the above priorities will have to be adjusted in the light of events, but, subject to your direction, we should try to be guided

by a more discriminating set of priorities than in the first two years. Moreover, during the next two years, it will be particularly important that the tone of our statements on foreign policy be responsive to both foreign as well as domestic needs, and this will require more discipline. At some point, you might wish to use this memorandum as the basis for discussion at one of our breakfasts, so that we all understand clearly the tone you wish us to maintain and the priorities you want us to pursue.

2. *National Security Affairs Calendar* (attached)<sup>3</sup>

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<sup>3</sup> Not found attached.

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## 21. Editorial Note

The Iran hostage crisis began on November 4, 1979, when 52 U.S. citizens were taken hostage by Iranian students and militants at the U.S. Embassy in Tehran. Having not been able to negotiate the release of the Americans by spring 1980, President Jimmy Carter decided to move forward with a rescue mission. Secretary of State Cyrus Vance was the sole adviser to Carter who opposed that rescue mission. Vance, unable to persuade the President to countermand his decision, resigned on April 21.

On Friday, April 11, the National Security Council was hastily convened in order to decide if the rescue mission should be attempted. Vance was out of town, so Deputy Secretary of State Warren Christopher attended the meeting. Like Vance, Christopher also objected to the use of military force in Iran. Christopher, however, was the only objector; the members of the NSC decided to attempt the rescue mission.

Vance wrote in his memoir, "When I returned to Washington late Monday afternoon, Christopher informed me of the meeting. Stunned and angry that such a momentous decision had been made in my absence, I went to see the president very early the next morning and spelled out my strong objections to the rescue mission." (Vance, *Hard Choices*, page 409) Vance continued, "But by Thursday, April 17, I knew I could not honorably remain as secretary of state when I so strongly disagreed with a presidential decision that went against my judgment as to what was best for the country and for the hostages. Even if the mission worked perfectly, and I did not believe it would, I would

have to say afterward that I had opposed it, give my reasons for opposing it, and publicly criticize the president. That would be intolerable for the president and for me. That day, I told Carter I would have to resign if the mission went forward." (Vance, *Hard Choices*, pages 410–411) Knowing that Carter's mind could not be changed, Vance wrote, "On Monday morning, April 21, I sadly wrote out a formal letter of resignation, which I had discussed with Gay [Vance] the night before. I delivered it to the president in the map room of the White House that afternoon. It was one of the most painful days of my life, as I am very fond of Jimmy Carter." (Vance, *Hard Choices*, page 411) See Document 22.

The rescue mission was scheduled for April 24. It failed due to several unforeseen events, and it was not until January 20, 1981, that the hostages were released after 444 days in captivity. Carter wrote in his diary for April 27, "I told Harold [Brown] and Zbig [Brzezinski] about Cy's resignation. They did not know about it ahead of time in any specific terms, although they both had suspected it was coming." (Carter, *White House Diary*, page 423) Although Vance's resignation largely came as a surprise, there had been earlier indications of his discontent. In March 1980, the *New York Times* reported that Vance would be returning to practice law at the conclusion of the first term, and Brzezinski stated that he was not interested in becoming Secretary of State for the second term. ("Brzezinski Disavowing Interest in Vance's Job," *New York Times*, March 7, 1980, page A9) After Vance's resignation, the *New York Times* reported in an article entitled "Departure of Vance: End of a Rivalry", "'It was just a question of when he would finally decide to do it,' said a White House aide. He added that it had been clear for some time that Mr. Vance was no longer part of the foreign policy mainstream in the Carter Administration." The article continued, "But State Department aides said tonight that Mr. Vance's doubts over the mission were only the most recent of a series of questions that he entertained over the general thrust of American foreign policy. They said that over the last year or so Mr. Vance had found himself increasingly at odds with a majority of President Carter's senior advisers." The article stated that "Mr. Brzezinski, according to both White House and State Department officials, was slowly successful in chipping away at Mr. Vance's authority." (Richard Burt, "Departure of Vance: End of a Rivalry," *New York Times*, April 28, 1980, page A10)

22. Letter From Secretary of State Vance to President Carter<sup>1</sup>

Washington, April 21, 1980

Dear Mr. President:

I have the greatest respect and admiration for you and it is with a heavy heart that I submit my resignation. It has been a privilege and a high honor to serve you and our nation. I look with pride and satisfaction at the many actions and new directions which have marked our foreign policy under your leadership. The Panama Canal Treaty, the Camp David Accords, the Egyptian-Israeli Peace Treaty, normalization of relations with the People's Republic of China, the strengthening of our military forces and our alliances, the negotiation of the SALT II Agreement, the Zimbabwe settlement,<sup>2</sup> and the new thrust and direction given to our relations with the nations of the Third World are several of these major steps.

I know how deeply you have pondered your decision on Iran.<sup>3</sup> I wish I could support you in it. But for the reasons we have discussed I cannot.

You would not be well served in the coming weeks and months by a Secretary of State who could not offer you the public backing you need on an issue and decision of such extraordinary importance—no matter how firm I remain in my support on other issues, as I do, or how loyal I am to you as our leader. Such a situation would be untenable and our relationship, which I value so highly, would constantly suffer.

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Agency File, Box 18, State, 1-4/80. No classification marking. The letter was handwritten by Vance.

<sup>2</sup> The Panama Canal Treaty was signed on September 7, 1977. For the statement of understanding, see "U.S.-Panama Statement of Understanding," Department of State *Bulletin*, November 7, 1977, pp. 631-634. The Camp David Accords were signed on September 17, 1978. For the text, see "A Framework for Middle East Peace," Department of State *Bulletin*, October 1978, pp. 1-11. The Egyptian-Israeli Peace Treaty was signed on March 26, 1979. For the text, see "Egypt and Israel Sign Treaty of Peace," Department of State *Bulletin*, May 1979, pp. 1-15. The Joint Communiqué on the Establishment of Diplomatic Relations Between the United States of America and the People's Republic of China was signed on January 1, 1979, thus normalizing relations between the two countries. For the text of the communiqué, see "East Asia: U.S. Normalizes Relations with the People's Republic of China," Department of State *Bulletin*, January 1979, pp. 25-26. The SALT II Agreement was signed on June 18, 1979. For the text of the treaty, see "SALT II Treaty and Related Documents," Department of State *Bulletin*, July 1979, pp. 4-47. The Zimbabwe Settlement, also known as the Lancaster House Agreement, was negotiated from September 10 to December 15, 1979. For the text, see *Keessing's Contemporary Archive*, Vol. XXVI, 1980, pp. 30165-30177. For a description of the U.S. role, see "Policy Issues: Zimbabwe" in Department of State *Bulletin*, April 1980, pp. 2-4.

<sup>3</sup> A reference to the planned hostage rescue attempt conducted on April 24. See Document 21.

I shall always be grateful to you for having had the opportunity to serve. I shall always have for you the deepest respect and affection, and you know you can count on my support for your continued leadership of our nation.

Respectfully yours,

Cy

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### 23. Letter From President Carter to Secretary of State Vance<sup>1</sup>

Washington, April 28, 1980

To Secretary of State Cyrus Vance

I accept your resignation with regret, but with deep appreciation for your dedicated and effective service to me and to our country.

As mentioned in your letter, we have had notable accomplishments under your leadership as Secretary of State. I share your pride in what has been achieved.

Because you could not support my decision regarding the rescue operation in Iran, you have made the correct decision to resign. I know this is a matter of principle with you, and I respect the reasons you have expressed to me.

You leave your post with the admiration and best wishes of a grateful nation. Our close friendship and partnership during challenging times have been a source of strength and reassurance to me.

I look forward to your continuing advice and counsel on matters of importance to the United States—our country, which you have served so well.

Your friend,

Jimmy Carter

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Agency File, Box 18, State, 1–4/80. No classification marking. The letter was handwritten by Carter. Both Vance's (see Document 22) and Carter's letters are also printed in *Public Papers: Carter, 1980–81*, Book I, pp. 781–782.

## 24. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>

Washington, May 1, 1980

### SUBJECT

Unity and the New Foreign Policy Team

Somehow I feel quite confident that the conventional wisdom to the effect that Muskie<sup>2</sup> and I will be in a new fight is going to be proven quite wrong. Leaving aside the fact that you would not tolerate a fight, and that neither Muskie nor I desire it, the overriding consideration which makes me feel confident that the Washington gossips will be proven wrong is that the basic outlines of your foreign policy have been defined more precisely in recent months both by your speeches and by events.

It is particularly important in this context that the new Secretary speak often to the American public and convey to it a strong case *on behalf of your policies*. Cy never did it, and the people around Cy continuously conspired either to dilute your policy or to divert it into directions more to their own liking. The so-called zig-zags in our past policies have been more apparent than real and have been exaggerated by an absence of a strong public voice by the Secretary and by leaks and a lack of discipline in the State Department ranks. In this traumatic period, there will be a particular temptation by the State Department bureaucracy to even the score (meetings on this subject have already been held at Foggy Bottom). It is essential, if we are to avoid more intensive struggles and bad press, to emphasize the need for teamwork and discipline. The State Department officials you have invited to Camp David<sup>3</sup> provide an opportunity to speak directly to at least some of the elements of that bureaucracy that need to be brought into line. (A candid appraisal of who they are and what they represent is attached.)<sup>4</sup>

Accordingly, there are some specific steps which you should consider from the start so that the genuine potential for unity, with Muskie clearly speaking as your principal spokesman, does not get undermined

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Subject File, Box 23, Meetings, Muskie-Brown-Brzezinski, 5/80-6/80. Secret; Personally Sensitive.

<sup>2</sup> Vance was succeeded by Edmund Muskie, who entered on duty as Secretary of State on May 8.

<sup>3</sup> The President met with Department of State officials and others at Camp David on May 3. See Document 25.

<sup>4</sup> Not found attached.

from within. To that end, I feel you should seize the first opportunity to make your position clearly known on a number of subjects:

1. The most important statements of your policy are contained in your State of the Union Message,<sup>5</sup> and that policy must be supported by everyone.

2. It is important, to the extent that it is possible, that the Deputy Secretary be someone who is dedicated to your policy in addition to being loyal and acceptable to the new Secretary. If Warren<sup>6</sup> cannot stay on—and I do hope he will—you should make an effort to obtain a centrist, possibly even a liberal Republican, who will mitigate the excessively dovish sentiments of some of the second echelon people who are likely to remain on the 7th Floor.

3. The fact is that the top people in State have not been appointed because of their loyalty to you. Since Muskie will not be coming on board for a couple of weeks, it might be useful for Warren to give you his recommendations in the meantime regarding possible changes. In different ways, Kennedy, Johnson and other Presidents asserted much more control over appointments in State than you did over your first three years, and the absence of such control does not work to your advantage.

4. Now clearly is the time for me to take a lower profile, since the vacuum that was created by Cy's disinclination to defend our policies will be filled by Muskie. I will keep some of the scheduled appearances which have been designed in connection with the forthcoming primaries, but I will minimize any additional ones. I would like to be able to increase slightly some of the quiet consultative contacts with foreign governments which are necessary to give them the needed insights into our strategic thinking, while confirming the fact that we are operating as a team. This is particularly needed with our Allies, with whom we simply do not engage in genuine strategic consultations, and they may be necessary at some point also with some of our Asian friends. I would intend to make these contacts as private as the one undertaken in January, about which nothing has become publicly known and which therefore need not be seen by State as an invasion of their prerogatives. Moreover, it could be important symbolically if Muskie on his own initiative occasionally asked me to join him in some contacts, for example such as the one he may be undertaking with Gromyko in Vienna.<sup>7</sup>

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<sup>5</sup> For the text of the President's State of the Union message delivered before a joint session of Congress on January 23, see *Public Papers: Carter, 1980–81*, Book I, pp. 194–200.

<sup>6</sup> Warren Christopher.

<sup>7</sup> Muskie met with Gromyko in Vienna on May 16. For the memorandum of conversation of this meeting, see *Foreign Relations, 1977–1980*, vol. VI, Soviet Union, Document 278.

Such a gesture of self-confidence on his part could be useful in emphasizing the new unity, and you might encourage him to do so.

5. You should also suggest to Muskie that he chair more PRC meetings. SecState started off by chairing all of the PRCs, and that worked well; then State slacked off and reduced the level of its representation as chairman. As a result, for example, we have recently had to take over the Cuban refugee situation<sup>8</sup> together with Jack Watson. You should stress to Muskie the importance you attach to his involvement in the interagency process and particularly to his chairing the PRC.

The presence of several senior State Department officials at Camp David will give you an opportunity to convey your message directly to at least some of the elements in the State bureaucracy that have not been entirely on your wavelength in the past. The following is a candid assessment from our perspective of the strengths and weaknesses of those who will be there.

*David Newsom, Under Secretary for Political Affairs:* An old-line Foreign Service Officer and a good mechanic in making the interagency process work. He has been very responsive to your guidance. He has worked extremely well in resolving ancient rivalries between State and CIA, much to the benefit of our overall political reporting performance abroad. In dealing with the crises that have beset us in recent months, he once complained to the NSC staff, "You must have some patience; I am dealing with a generation of leadership in the State Department who think that power is irrelevant in foreign policy." In sum, he has been loyal and helpful. His principal drawback is that he is not forceful and has stumbled in public on a couple of occasions, such as when he informed Senator Church of the Soviet brigade in Cuba.

*Peter Tarnoff, Executive Secretary:* He is young, bright, capable, and an intense loyalist to the former Secretary as well as to the State Department's prerogatives. He is a bureaucratic manipulator whose loyalty to the Department comes before his loyalty to you or your policies. He is not entirely trustworthy. He cooked up his trip to see Fidel Castro,<sup>9</sup> claiming that the Cubans wanted to talk to us but, in fact, when Castro met with Tarnoff and Pastor, Castro made clear the entire meeting was at the State Department's initiative. There are rumors he plans to be reassigned. This would be good.

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<sup>8</sup> Also known as the Mariel boatlift. Beginning in April 1980, Fidel Castro allowed any Cuban who wished to do so to depart Cuba from Mariel. The boatlift lasted 162 days and during that time over 100,000 Cubans fled to the United States. See "The 'Freedom Flotilla' Ends," *Washington Post*, September 28, 1980, p.A12.

<sup>9</sup> Information on this trip is scheduled for publication in *Foreign Relations, 1977-1980*, vol. XV, Central America.



*Ben Read, Under Secretary for Management:* One has to have sympathy for anyone trying to deal with the State Department bureaucracy on a shrinking real budget. Their burdens have increased; their resources have not. Still, Ben Read has managed to gain a bad reputation both in other agencies who have to deal with State and within the State Department bureaucracy itself. He has managed to take a thankless job and turn himself into a major obstacle to the conduct of a number of important activities. For example, he is implacably hostile to any intelligence activities and a major impediment to cooperation between the State Department and CIA. For this reason, we have had to depend on David Newsom to resolve legitimate problems. Even within his own organization, he has pursued some senseless policies, such as trying to strip our Embassy in San Salvador of the six working wives who are essential to its functioning in the current crisis.<sup>10</sup> Ben Read is currently rumored to be angling for a major policy-making position; I doubt if he would be supportive of your approach since he has given so little weight to—and even worked against—your initiatives which have fallen into his area up to now.

*Tony Lake, Director, Policy Planning Staff:* You know Tony from the transition planning team. He is currently the head of the Policy Planning Staff but has functioned primarily as Cy's speechwriter and preparer of Congressional testimony. He is one of the more balanced, younger officers who has been brought into the Department and has been the channel that has facilitated coordination between the NSC and State during some of the rougher times. He has been loyal and supportive. His principal drawback in State has been that he has not managed to turn the Policy Planning Staff into a policy planning instrument. There is a great need for such planning, but he will only be able to do so if he gets firm support from the new Secretary. In this connection, he is quite close to Senator Muskie, having served as his foreign policy issues man during the 1972 campaign.<sup>11</sup> In a nutshell—a dove, but not a doctrinaire one.

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<sup>10</sup> A reference to the reduction of personnel at the Embassy in San Salvador. Information is scheduled for publication in *Foreign Relations, 1977–1980*, vol. XV, Central America.

<sup>11</sup> Muskie campaigned for the Democratic nomination during the 1972 Presidential election. He was defeated in the primaries by George McGovern.

## 25. Memorandum of Conversation<sup>1</sup>

Camp David, Maryland, May 3, 1980

### PARTICIPANTS

The President  
 Edmund Muskie, Secretary of State-Designate  
 Warren Christopher, Acting Secretary of State  
 David Newsom, Under Secretary of State for Political Affairs  
 Ben Read, Under Secretary of State for Management  
 Anthony Lake, Director, Policy Planning Staff, Department of State  
 Peter Tarnoff, Special Assistant to the Secretary and Executive Secretary,  
 Department of State  
 Harold Brown, Secretary of Defense  
 Dr. Zbigniew Brzezinski, Assistant to the President for National Security Affairs  
 David Aaron, Deputy Assistant to the President for National Security Affairs  
 Henry Owen, Ambassador at Large and Coordinator for Economic Summit  
 Affairs

*The President* began by saying that he had not had an opportunity to meet with key advisers in the State Department. He expressed the opinion that the effectiveness of this meeting would be related to its frankness in dealing with the problems of organization of the State Department, the role of the Secretary and our consideration of major foreign policy issues. He was interested in how we might resolve these problems or at least establish a mechanism for resolution of these matters.

He said the United States faces serious challenges. There are no simple answers. We need planning, consultation with our Allies, negotiation, and the President added that we must be prepared for disappointment.

The President also said it was important how we communicate to the American people. We must present a clear and consistent picture of American foreign policy. The President said he is committed to a strong, peaceful America. He wants to minimize election constraints. He anticipated that we will face a lot of criticism which will exacerbate our problems because this is a political year, but we have to be a little more ready to answer questions than we would otherwise.

The President said we have a good opportunity with Ed Muskie coming on board to strengthen our relationship with the Congress. The President said he was eager to participate in this task. He said he had brought people into the White House for supper and for breakfast,

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<sup>1</sup> Source: Carter Library, National Security Affairs, Staff Material, Office, Box 57, Chron 5/1-11/80. Top Secret.

but he found that Bob Byrd<sup>2</sup> objected to inviting Senators to the White House for such discussions. The President said that Senator Muskie might negotiate some ground rules with Bob Byrd on contacts with Members of the Senate.

The President expressed the hope that he could meet with the State Department officers that were present over at the Department to discuss problems and he said he also planned to work closely with the Department of Defense, the National Security Council and the CIA. The President said he thought it was a good time to reassess our policies. He said we have made mistakes and that needs to be faced. The current meeting, he said, was precipitated by Secretary Vance's resignation.<sup>3</sup> The President said he regretted Secretary Vance's decision, but he had not tried to change it.

The President said that if he had one main problem with the Department of State, it was inadequate communication. He said that he had been isolated from the Department. He wanted a small group in the Department of State to put forward more dynamic ideas. Too often, he said, he receives a proposal that is the product of consensus. Thus, he said, he gets more probing although sometimes fallacious sets of ideas from the National Security Council. He said he gets almost no new ideas or criticisms from the Department of State.

The President said he did not know whether it was possible to overcome the bureaucracy. He would like more sessions with ambassadors who return from overseas. On the other hand, he did not want to be meeting all the time.

*Mr. Christopher* said that people at the top level would welcome more contact. He said they had refrained because they were worried about the President's time. He said they would be delighted to respond and in their meetings at the State Department they would like you to meet with the Presidential appointees for lunch and then with a smaller group of more important policy making officials.

Mr. Christopher noted that Senator Muskie had planned to continue the morning meetings, but with a smaller group. From the standpoint of personnel, the Department was in good shape. He had talked to Senator Muskie about this and a lot of changes were not needed. Certainly no exodus was anticipated. Moreover, as far as overseas positions were concerned, the Department had eight outstanding ambassadors waiting to fill slots that might become available abroad or at home. At the same time, Mr. Christopher said Senator Muskie

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<sup>2</sup> Senator Robert Byrd was the Senate Majority Leader.

<sup>3</sup> See Documents 21, 22, and 23.

wants to move some new people into this system. This, he felt, could be accommodated.

The Acting Secretary said that the State Department is an organizational anomaly. There is a Secretary, a Deputy Secretary, four Under Secretaries and twenty-two Assistant Secretaries. Management consultants, like Booz Allen would anticipate that decisions would flow through the Under Secretary to the Deputy Secretary and Secretary. But there is an anomaly in the Department because the Secretary must deal directly with the Assistant Secretaries on matters in which he is personally involved. Moreover, the Secretary is nominally the chief of four agencies which are loosely related to the State Department—the Arms Control and Disarmament Agency, the International Communication Agency, IDCA and AID. Moreover, there was the UN Mission, which is an important bureaucratic force and is not just another part of the State Department.

Mr. Christopher said it was a big job to inspire and coordinate all these institutions. The roles of the Secretary are manifold and he has to choose between them.

Mr. Christopher outlined several different roles for the Secretary of State.

First, the Secretary of State must communicate and explain our foreign policy. There was no one better than Senator Muskie to do this.

Second, the Secretary of State had to be the principal adviser to the President on foreign policy matters. This role must not be diminished. Mr. Christopher said he was urging Senator Muskie to increase this aspect of his job rather than decrease it.

Third, relations with the Hill were very important but very time-consuming. The Acting Secretary thought that other spokesmen for the Department and the Administration could help carry the burden that Secretary Vance had borne in this regard.

*The President* commented that Secretary Brown could help in this regard. *The Secretary of Defense* said this was true, but that he spent a lot of time on the Hill already and the problem is that people up there want to talk to the most senior Administration officials.

*Secretary Christopher* said he believed that the new Secretary of State should limit his appearances to key presentations. He said that we fell into the habit of briefing the Senate and House every day on Iran. He said we should get out of this habit.

Fourth, said Mr. Christopher, the Secretary had his role as a negotiator. He thought that the Secretary cannot do as much of this as Secretary Vance had done. Sol Linowitz had been designated as the negotiator for the Middle East and this should help relieve the burdens of negotiation on the Secretary.

Fifth, it was the Secretary's responsibility to manage the Department. The task here was both to delegate responsibilities and to inspire members of the Department.

Sixth is the protocol function of the Secretary of State. He said this was very wearisome and ought to be cut back. *Secretary Brown* commented that it was a matter of the penalty you pay for not going through the protocol rather than the positive gain you make for doing it.

All in all, *Secretary Christopher* said, the new Secretary of State over the next eight months and four years ought to be more visible.

*The President* said that one of the things that Secretary Vance had wanted to do was to cut down on negotiations and to be a spokesman. Unfortunately, this simply did not happen. He noted that he himself was inundated by visitors. When they come to town, he has to see them, even though they often visit the United States on their own initiative. Perhaps we could reduce, he said, the number of Foreign Ministers' visits to the United States. The President then asked how responsibility is fixed in the Department, for example, on Cuba. *Mr. Christopher* replied that it rests with the Assistant Secretary for the regional area, in this case, Bill Bowdler. For example, he would talk to him on calling off issuing any more visas at the Interests Section in Havana. He said that generally speaking the responsibility for the conduct of relations in any part of the world was fixed in the regional bureau heads. They, in turn, are under David Newsom who is the Under Secretary for Political Affairs. The Under Secretary for Economic Affairs leads the economic bureau. In this connection, Mr. Christopher said that we have not done as well in integrating economic policy in the Department and in the government as we have done in integrating our diplomacy through the Under Secretary.

*The President* asked who was in charge of Europe. *The Acting Secretary* replied that George Vest was in charge. His recommendations go through Dave Newsom. *Harold Brown* added that Vest's responsibility covers Eastern Europe and the Soviet Union. However, in the latter case the Secretary also had a Special Adviser on Soviet Affairs, Marshall Shulman.

*The Acting Secretary* said Europe is a place where we really need to do some work. Our relationship is not as bad as it looks, but we cannot do it without more contacts with the Europeans and without a more dynamic approach. Secretary Christopher said we need some special ambassadors roving about Western Europe, for example, Gerry Smith going to the Federal Republic and spending a week or two simply talking with German officials and political leaders.

*The President* said that he does not have the impression that someone is looking at Chancellor Schmidt, someone who is really focusing on him and on Giscard and sending suggestions on how to handle

them to the President, giving the feeling of someone being in charge. He said he has had more of a relationship with Dick Holbrooke and Hal Saunders than in the European area. He said he would like to have the feeling that George Vest gets his ass kicked if something erupts in Europe that we have not anticipated.

*Secretary Christopher* replied that there is a German desk officer who worries about Germany and Chancellor Schmidt and makes suggestions but if the President does not feel it, then of course the State Department is not doing its job. He acknowledged that the State Department had not given as much attention to the Federal Republic as they should and said that they do have to focus up on it.

In reply, *the President* said that perhaps 90 percent of the problem was his own. He said that he has good relationships with the Europeans when he is with them but then they deteriorate. He said he needs to be personally more closely involved in our relationships with our Allies. *Secretary Christopher* observed that we in particular have this problem with the FRG.

*David Newsom* interjected that the ambassadors are also important and that it was essential to inspire them as well. He said he was also concerned about layering. He said that he personally did not want to get in the way of the Assistant Secretaries in their relationship with the Secretary. He thought they should be dealing directly with the Secretary when necessary. Moreover, as far as Europe was concerned, there are three other areas which were key to our relationship with the Europeans: Marshall Shulman's shop on Soviet Affairs, the Political-Military Bureau run by Reginald Bartholomew and Tony Lake's Policy Planning Staff. But none of this, added *Mr. Christopher*, is getting through to the President.

*Dr. Brzezinski* observed that the President does get the input from INR from the daily summary which we find to be the best intelligence summary in the government.

*The Acting Secretary* continued that the one bureau that has serious problems is the Near East Bureau. It covers the globe from Morocco to India. It deals with the Middle East negotiations and with the Iranian crisis. The Bureau simply is not operating as it should. We are considering reestablishing a South Asian Bureau that would make the problem more manageable.

*The President* said the one thing early on which he felt the need for is what we are trying to do in each country. He said that he had asked that country papers setting forth our objectives in each country be prepared for his consideration. He said that he had read the papers; perhaps he was the only one to do so. However, Cy wanted to stop this effort. He apparently thought it was a waste of time. The President

said the ambassadors should keep this up. It might only be a two-page list: to improve trade, etc. He asked if it was a paperwork burden.

*Peter Tarnoff* replied that they were producing longer studies of our objectives in each country and perhaps Secretary Vance felt it just wasn't an accurate portrayal of our activities and objectives in these countries. *The President* responded that he simply wanted a single page which spelled out our objectives and possibly some alternatives. *The Acting Secretary* said that he thought we should go back to a country list of our strategic objectives. *Tony Lake* said that it would be hard to do it in one page. *The President* said it could simply cover bullet topics: increased trade, improve human rights. *Dr. Brzezinski* added that it ought to be specific and measurable. *Harold Brown* added that he does this with the major commanders; ambassadors could be asked to do the same. *Tony Lake* concluded by saying that we could update the papers with one-pagers each year.

*Secretary-Designate Muskie* said that during his trip on the President's behalf last year, he had asked the ambassadors for additional material which he could present to the President. He found them quite enthusiastic about communicating directly with the President.

Secretary-Designate Muskie said that his main impression, coming into the State Department and the impression in the Congress, is that State Department is first a massive bureaucracy, which is irrelevant to the concerns of the Congress and the President, and secondly, it is a bureaucracy whose clients and constituents are abroad and not at home. Secretary-Designate Muskie said that in looking at the State Department, he was reminded of the position he was in as Governor of Maine: his Cabinet was appointed and it overlapped with his own term in office. Thus, he was stuck with a Cabinet that was not his own. In order to overcome them and to achieve his own objectives, he had to go over their heads to the people. Secretary-Designate Muskie said that from the standpoint of the Hill, State Department's attitude toward the Congress seemed to be that the Members of Congress were children; they were naive and they were leakers.

*Harold Brown* said that the Senator was not of course commenting on the justice of those perceptions. *Secretary-Designate Muskie* said no, but that he would straighten that out from now on. Continuing, the Secretary-Designate said that the other major concern is the relationship between the NSC and the State Department. He said that Henry Kissinger had called him and said he would endorse him publicly. He also said he had made a great mistake in making the State Department a secondary voice in the making of foreign policy. He, too, said Muskie was concerned about the division between the NSC and State.

He said he would like to evaluate the reaction to his own appointment. He said he would like to present his own evaluation to his



appointment. He said, first of all, he thought he should play a role in making policy less complex, more unified and to go to the American people to explain it. In considering the role of the Secretary of State, as soon as he had a firm grip on the major thrust of our policies, he felt he should do some speaking out. This he said was his first priority, in order to offset the unease and uncertainty as to what is our foreign policy. He said that having a Secretary of State a politician can make our foreign policy more credible and effective.

Secondly, he said it must be perceived that the President and he are consulting closely. He acknowledged that it would take time before he was a creative architect of American foreign policy but the fact that the President and he would be seen consulting with regularity will be reassuring to the Congress. He did not believe that there was a real problem with consulting the Congress but that it was a misimpression that needs correction.

Third, the Secretary-Designate said that he wanted to reshape the impression of the State Department. He said that the State Department needs to be integrated, to be creative and to be responsive. It must be a foreign policy tool and it must include our embassies and ambassadors. He said that he hoped that he didn't use up all of his energy in other roles; that the Department would regard him as just another Secretary. He asked how many people were under his responsibility. (*Ben Read* replied 10,000; the same as in 1960.) In any event, he wants to turn the Department around. He felt that first impressions were particularly important for a bureaucracy.

The Secretary-Designate expressed reservations about the concept of roving ambassadors. He said he thought that would make the Ambassadors in the host country feel they were being by-passed. He said he personally was impressed by most of the ambassadors that he had seen. He thought they ran from good to outstanding. In sum, he said managing the Department and speaking out is what he wanted to focus on.

As for the role of negotiator, he said this is what he did best. But he said he felt he did not have time to do that. He also noted that there will be meetings in May and June in which he would be getting together with some of his colleagues in the North Atlantic Alliance and elsewhere. These meetings in his view were a "laying on hands", not negotiating arrangements. As for protocol, he said he didn't look forward to it but he felt he just had to do it.

*The President* said that he thought the Secretary-Designate could do a great deal to cut back on his protocol responsibilities. He noted that he had cut out the return dinner which had been part of State visits from time immemorial.

The President agreed that for the Secretary to be bogged down in negotiations would be a mistake. He said that we can appoint special



negotiators such as Lloyd Cutler in the area of fisheries or Sol Linowitz in the Middle East. He felt that we have all gotten too much involved in negotiations to the detriment of articulating our foreign policy. He also felt that the trips that the Secretary-Designate would make to Europe ought to be minimized. He felt that a speech that the Secretary-Designate might make in Bangor would be top news in Bonn.

The President said he also would like the Secretary-Designate to elevate himself from the “nitty gritty” to a policy-evolving and policy-evoking position. The President said he would like to sit down for an hour with the Secretary-Designate and the NSC and with the others in the room to talk about what we might do with the Soviets. He said he does not get recommendations from the State Department on how he should proceed and by default, he has to turn to the NSC. He also said there was no reason for Dr. Brzezinski to be the spokesman for the Administration. Indeed, it was Dr. Brzezinski’s advice that the Secretary of State play this role.

The President also noted that we do not have a good relationship in the foreign policy area with the American press. He said that Helmut Schmidt has a better relationship with the American press than we do. He felt that the Secretary-Designate should meet once a week with key columnists instead of Hodding Carter meeting with the press. He said it would be useful if the Secretary-Designate would do that, not only with those who cover the State Department but those who also cover the White House and the Congress. He urged that he bring in editorial writers, even those who do Op-Ed columns.

*Ben Read* asked if he might comment on Ed’s point concerning his role as a spokesman. He endorsed the idea. He felt that the Secretary should be the spokesman, an adviser and an articulator of foreign policy. He felt that we have gotten sloppy. He had seen the same tendencies in the Kennedy and Johnson Administrations. There tend to be fewer and fewer advisers and a smaller and smaller circle of advice. He said the State Department had within it institutional loyalty to the Presidency that was profound. The problem is how to use that loyalty in the most useful way.

Mr. Read continued that he recalled that McGeorge Bundy and Walt Rostow both said that they would never go on television and never meet with foreign ambassadors. Unfortunately, today the National Security Adviser does give backgrounders, he does hold meetings with the ambassadors that the Secretary doesn’t learn about except from the foreign ambassadors themselves. He felt there was not an adequate amount of feedback to the State Department nor a sense of sharing. This gave foreign governments an opportunity to drive wedges between the White House and the State Department. He felt it was important to put the focus on Senator Muskie and feed all information to him.

Mr. Read added that the President too was getting too much into detail. For example, the approval of individual Iranian visas. He said this was not intentional but it does distract from keeping our focus on the major issues. This was an opportunity he said to start anew.

*The President* said that the NSC staff, the Defense Department and the State Department are all there to serve the President and that any disharmony hurts him. He added that with one exception, despite many entreaties, he has dealt only with the Secretary or Deputy Secretary during the time of Cy Vance. The President said, for example, Tony Lake helped him in a superior way during the transition. However, since he went to the State Department, he hasn't seen him. The President said he had asked Cy Vance to meet with his top advisers but it never happened. He thought the State Department does a good job but it does not relate in a satisfactory way to the Presidency. And it has been worst at letting him know about alternatives. It has been an alien building. Cy Vance was close to him personally but this did not get through to the bureaucracy. On one occasion, up at Camp David, there was a glorious time when there was real coordination and real team work. It was positive and it was successful. But the President said he did not believe it exists now.

Perhaps it is better than he thought said the President. But he hoped that all of the agencies of this government would work together, not as alien bodies but on a team where the members worked together.

The President also said he hoped that Senator Muskie will be aggressive in carrying out his role as a spokesman. If not, it is left to himself, Dr. Brzezinski or the Vice President to articulate American foreign policy. He added that that is Dr. Brzezinski's view as well. The President said we have a chance now, not only at the top but at lower levels, to get working together. It spills into the press when the agencies are not working harmoniously. When the State Department is excluded from the President, they tend to blame it on the National Security Council.

The President said he knew that Dr. Brzezinski's organization created problems for the State Department. He recalled that there had been a meeting over a year ago to discuss those matters<sup>4</sup> and it had resulted in significant improvements. Dr. Brzezinski, he said, is a feisty, innovative, aggressive and creative individual and there is a lot more respect for the State Department in the White House than the State Department officers would think.

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<sup>4</sup> Carter met with Department of State officials on February 6, 1979, and with NSC Staff members the next day. He described the meetings in *White House Diary*, pp. 288–289.

Addressing the group, he said if you go back three years, we have had a remarkable degree of harmony on basic issues but we do have problems and we have to work together at all levels.

*Secretary Brown* said that the President's comments reminded me of John Kennedy's Administration in the early 1960s. He said many of the problems we are discussing today are enduring problems. And these problems relate to how the Secretary runs the Department. Some rely on the Department such as Cy Vance and Dean Rusk. Others rely on a small group. That was the style of Acheson, Dulles, and Kissinger. They tend to be closer to the President. Conflicts with the National Security Council are to some extent inevitable. He did not know if all of this could be corrected in eight months and he did not believe that it was possible to interact with 10,000 people. He himself had a much larger organization with which to interact and he found it was best to do that through a small group.

*The President* said that other agencies bring in small groups of officials in meetings with the President. He said the officials are honored and pleased. *The Acting Secretary* said that it was helpful to hear this. We had heard that the President wanted small meetings and Cy wanted to be the one to deal with the issues. Mr. Christopher said he thought the NSC thought that was the President's attitude as well. For the President to clarify this helped a great deal. It would be terrific for morale in the State Department.

*The President* said he thought that Cy Vance had an aversion to it. Not every meeting should include eight people from the State Department, for example, at the Friday breakfast. But he would like to sit down and discuss some key issues with a group from the Department and the NSC: the Soviet Union, Western Europe, Cuban refugees. He suggested that the State Department plan a good meeting jointly with the National Security Council.

*Dr. Brzezinski* said that he agreed with the roles for the Secretary of State as outlined by Warren Christopher and Senator Muskie: in particular, that the Secretary be an aggressive spokesman for the Administration's foreign policy. However, he said that policy must be seen not only as the Secretary of State's policy but as the President's policy. Dr. Brzezinski had seen cases in which there was a Presidential policy or a Secretary of State's policy but that was not the State Department's policy.

As for the problems in the current arrangements, Dr. Brzezinski said that he would rather hear from Warren Christopher or Harold Brown about them rather than from Ben Read who is not in on most of the activities. For example, he was not aware of any problems which had arisen in connection with his having seen ambassadors. He had never felt that he was undercutting the Acting Secretary by talking to

foreign ambassadors and he would propose to continue to talk to foreign ambassadors.

As far as public relations is concerned, there was a gap in the Administration. There was an absence of a spokesman. Secretary-Designate Muskie should anticipate that there will be enormous demands on his time for appearances. Dr. Brzezinski volunteered to be supportive. He pointed out that he called Warren Christopher when he was recently on television and coordinated the line that he should take. However, not everyone in the State Department knows that this coordination takes place. So there are expressions of jealousy in the rank and file.

Dr. Brzezinski pointed out that there is within the Administration a fundamental consensus on key issues. In the past this had not always been the case. But now the course through the elections was set and he thought things would go smoother as a result.

*The President* agreed. Dr. Brzezinski said there had been differences in the past over the role of the Soviet Union and Africa, over our opening to China. But these had been resolved. He suggested that Senator Muskie read the State of the Union speech to get a feel for the general thrust of the President's overall policy.

As for the problem of the span of control in the State Department identified by Harold Brown, *the President* saw no reason to assume that that problem can't be solved. He said that he did not need to know fifty people in the State Department but he did need to know six or eight key people.

*Tony Lake* said that he agreed with Dr. Brzezinski that the differences between the NSC and the State Department had been exaggerated. He said there was a great well of institutional loyalty in the State Department to the President. There would be no resignations beyond Hodding Carter's. He thought that the personal relations between the State Department and the NSC staff were good. The problem is the pressure of time—Iran, Afghanistan crises meant that meetings could not be well-prepared in advance. This he thought could be fixed. As far as unhelpful press speculation is concerned, he said he had worked with David Aaron to try to dampen this down but it was not always successful. Indeed, there was an occasion in which David Aaron and he had both spoken to the same journalist giving a caricature of the views of what was supposed to be the other side's position and even then the article came out that the NSC were hawks and the State Department were doves.

As far as the inter-agency system was concerned, Mr. Lake stressed the need for agenda. There is also a need for reviewing the conclusions and seeing how they are in fact reported to the President. He recommended that the participants see the minutes before they go to the

President. We receive Presidential decisions, said Mr. Lake, but we don't see how the options go forward.

Mr. Lake also proposed that there be more joint analytical papers. Part of the reason we don't get initiative is the lack of sense of participation in the building. Unfortunately, officials in the State Department are reluctant to put forward their own ideas out of fear of undercutting the Secretary. If we do more joint papers, we can put in more options before the Secretary reaches his decision. Once a meeting takes place, if there is no paper beforehand, it would be disloyal to recommend ideas which are contrary to those of the Secretary of State.

Turning to the speechwriting process, Mr. Lake said that the system had been eroded. He said there is a subterranean relationship between the Policy Planning Staff and the speechwriters in the White House. He said the State Department recognized the need to hold speeches closely and he said that he thought it would be possible to work out with the NSC an arrangement where they could develop an outline for Presidential speeches together.

Contrary to what Mr. Lake had just said, *the President* emphasized that he did not want rounded off speeches produced by consensus. He would rather have different views in brackets so that he could decide. He got consensus speeches from Cy Vance and that is the reason he turns to the NSC for something bolder. *Mr. Lake* responded that if we had an opportunity to talk through ideas, we would do a better job of shaping clearer policy formulations. He was not proposing that desk officers clear all these speeches so that no one would notice them. *Secretary-Designate Muskie* added that it should be understood that the President wants alternatives in his speeches. *The President* added that what Mr. Lake said last was important. Because what he worries about is that the bureaucracy tones down its speeches so much that they prove to be too bland.

*Dr. Brzezinski* pointed out the vast majority of the NSC staff are in fact State Department officers so the issue of initiative and ideas and creativity is more a question of the institutional context.

*David Newsom* said he would like to return to the issue of the erosion of the process. Mr. Newsom said that the relationship between the State Department and the NSC was not so bad. In fact, it was much better than during the Nixon Administration. He said that David Aaron and he worked particularly well together.

However, in the Iran Crisis Management meetings which take place daily, the minutes go to the President and the State Department does not know if alternatives which they have in mind go to him as well. For that reason, they would like to be able to review the minutes before they go to the President.

Also, he thought there had been a blurred line between the SCCs and the PRCs and he wondered whether we shouldn't have a PRC both for Iran and Afghanistan chaired by the Secretary of State to look at our long-range alternatives.

As for the role of the Assistant Secretaries, Mr. Newsom said he wanted to emphasize that there had been a major input into the State Department policies from Assistant Secretary Vest, for example. Mr. Vest had been very helpful on Iranian sanctions and on TNF. Hal Saunders has obviously made very important contributions on the Middle East. *The President* said it was his impression that when PRCs are set up, the Secretary of State doesn't show up to chair them.

*Warren Christopher* explained that in PD-2,<sup>5</sup> two committees were set up. The SCC was to handle arms control, crisis management and a few other things. The PRC was to handle particular foreign policy questions. Since the 15th of March, there have been 60 SCCs and zero PRCs. In April, the ratio was 13 to 1.

The Acting Secretary acknowledged that we had been operating in a daily crisis mode and therefore there had been no papers prepared in advance. However, Ed's arrival gave an opportunity to take a look at the system and see whether we can't get the process back in better balance. He felt there were 20–25 subjects on which PRCs could usefully be scheduled. He concluded by agreeing with the President that the PRC lacks authority unless the Secretary of State is in the chair.

*Dr. Brzezinski* agreed with the Acting Secretary. He said in the first two years, the number of PRCs and SCCs were about equal. The SCCs were devoted to arms control, intelligence and matters of that sort. The disproportionate numbers at this time result from daily meetings on Iran. As for scheduling of PRCs, sometimes we take the initiative, he said, and sometimes the State Department takes the initiative. *Mr. Christopher* added that the State Department had not been taking the initiative enough in recent months.

*The President* asked who prepared the minutes of these meetings. *Dr. Brzezinski* replied the NSC staff. *The President* asked why Tony Lake could not sit in on the drafting of the minutes.

*Dr. Brzezinski* pointed out that the minutes go back to the Department, and so we have every incentive to be honest and straightforward in our presentation of the meetings. If we have the State Department join with us in the preparation of the minutes, we will end up with two meetings—the first being the real meeting and the second the meeting to rearticulate in the better form what had not been said in the first meeting.

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<sup>5</sup> See Document 7.

Dr. Brzezinski said he had not been informed of any deficiencies or distortions in minutes which he had prepared for the President. Indeed, sometimes when it is a particularly delicate subject, the agencies are invited to attach statements to the minutes of their own position.

*Warren Christopher* asked if the Secretary of State could not see the minutes of his own meetings—the PRCs which he chairs. *The President* thought this was a reasonable suggestion.

*David Newsom* noted that even at the SCCs, new issues arise which are not staffed out and therefore it would be useful to have a chance to review the minutes to be certain that the State Department views expressed at the meeting were properly reflected.

*Harold Brown* asked whether the question was procedural or substantive. He said he got a lot of decisions he did not like, but the problem was not the minutes, it was the decisions the President made.

*Secretary-Designate Muskie* said that the Congress deals with committees all the time, so he understood the problem. The question is whether the minutes reflect the differences of opinion and whether they are fairly reported. *The President* said that Harold Brown and Dr. Brzezinski think they do and noted that Cy Vance never came to him with any complaints. *Dr. Brzezinski* suggested that Senator Muskie try the system and see how it works. He also noted that the suggestions that the minutes be reviewed before they go to the President were a reflection on his integrity which as far as he could see had no foundation in fact.

*The President* said there was a question of timing. The SCCs meet in the morning, they report by the afternoon and there is a decision to the bureaucracy by that evening or the next day. We are dealing with fast-moving situations, said the President, and he does not want an extra day spent on reviewing the minutes. If David Newsom or Tony Lake have something specific they are concerned about, they can put down the actual words that they want to see reflected in the minutes, but he did not wish to see the minutes lengthened. When it comes to the PRC which is chaired by the Secretary of State, we could take an extra day to get the minutes to the President. *Tony Lake* said that he was only suggesting that the minutes be reviewed from the PRC.

*The President* said that we would then plan to have the minutes of the PRC reviewed by the Chairman of the PRC before they go to the President.

*David Aaron* referred to the suggestion for joint studies. He said that this was a very important concept which we needed to deal with a number of very complicated matters in the government. We have not been able to systematically review complex problems since the early days of the Administration when we tried to do so with Presiden-



tial Review Memoranda. However, these had so many people involved that they immediately leaked to the press long before they were ever reviewed at the senior levels of the government. If we are now to go forward with more joint studies, they must be tightly held. *The President* endorsed the latter point, emphasizing that the PRMs were always in the paper before he ever had an opportunity to read them.

*Henry Owen* said there were no problems in the economic area. He said that the economic group meets for lunch, hashes things out and operates as a good team. *The President* added that it is a relationship that he wished worked for all the national security area. *Secretary-Designate Muskie* said he thought it could be worked out. *The President* continued that the international economic policy operation is a pleasure. He said that he needed diverse views. He does not want the NSC absorbed into the State Department. He noted that *Henry Owen* consults on a wide variety of issues with AID, with State and with Treasury. As a result, he gets a wide variety of useful advice. However, he did not believe there was an adequate relationship of that sort between the NSC and the State Department on other issues.

(There was then a short break.)

When the meeting reconvened, *the President* said that he was well-pleased with the relationship that was being established between the State Department and the NSC. He noted that in the morning, the group had focused on process. He asked that *David Aaron* and *David Newsom* get together to work up recommendations that could be presented to him concerning the status of the PRCs, the SCCs and the integration and cooperation among the two staffs. The President said if the State Department has a problem with him or the Defense Department or the CIA has a problem, there has to be a way to get that problem to him. That is something he wanted worked out.

*Ben Read* said that the changes to be made in the process should include not having the National Security Adviser provide backgrounders to the press. *The President* responded by saying that *Secretary-Designate Muskie* should be the spokesman for the Department. The President would be the spokesman for the White House and let *Dr. Brzezinski* and *David Aaron* speak, too. The President said he cannot muzzle *Dr. Brzezinski*, but he thought it could be worked out adequately between *Dr. Brzezinski* and the *Secretary-Designate*. He said *Ed Muskie* would be his principal spokesman and that *Dr. Brzezinski* had recommended this. *Dr. Brzezinski* added that he had some already existing engagements which had been worked out with the political people before the campaign and he would need to follow through on those speaking engagements.

*Secretary-Designate Muskie* suggested that the President come to the State Department for two meetings—one with the top policy people



and the other with the Department as a whole. He said this could have much to do with emphasizing the role of the State Department. He thought that there was a perceptual conflict between the State Department and the NSC that does not exist in reality. Secretary-Designate Muskie said he did not want to go on talk shows, but when he does so, it will be because we have an important statement to make.

*The President* noted that he has a foreign policy speech scheduled for Philadelphia.<sup>6</sup> He anticipated a 15-minute speech with questions and answers afterwards.

The President said that after Senator Muskie assumes the Office of Secretary of State, he would like to meet with a small group of advisers and then have lunch with them. Then he could meet in the auditorium without the press to answer questions from the members of the Department.

(There was then a break for lunch.)

After lunch, the President began the discussion by saying that he had looked at the substantive briefing books for the meeting and there was nothing good in them. He said we had a bitch of a problem with the Soviet Union. We want trade. We want arms control but the invasion of Afghanistan rocks all this. In his view, we must be firm concerning the Soviet invasion of Afghanistan.

One of the results, he said, is that SALT II, SALT III and TNF arms control are all mixed up and we have to see how we might be able to resolve the matter. He thought that we might have to leapfrog SALT II and go directly into the negotiations of SALT III and TNF, otherwise he thought we would lose a major cohesive element in the alliance.

The President thought the Allies were quite timid and reluctant to deal with the challenges that we face today. And that we must keep the heat on them.

The President thought that our normalization of relations with the Peoples Republic of China was a major step for stability in the world and in the Pacific. He said we imposed limits on ourselves on how much we will favor the PRC over the USSR, for example, in the sale of lethal weapons. Returning to the question of the Allies, he thought that our problems with them are greatly exaggerated but that there is a problem. For example, all the writers say—or all the editorialists and columnists say that we don't consult the Europeans adequately. However, he felt our consultations with them and our relationship was better than it was in 1976. He also thought the situation in regard to

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<sup>6</sup> See *Foreign Relations, 1977–1980*, vol. I, Foundations of Foreign Policy, Document 147.

TNF was deteriorating. He was concerned about Belgium and even Italian backsliding.

Chancellor Schmidt was a particular problem. He behaves alright in his discussions with me, said the President, but when he goes home and talks to other leaders it is very different. The President said he was surprised recently when for the first time he got a secret report that Schmidt was actually defending the President. In this connection, the President said that all the major leaders of the seven nations are either facing elections or just come through them. He thought that Schmidt's political situation was the more serious than any of the others with the possible exception of the Italians.

Turning to the Middle East, the President said we face a new crisis. He thought that Prime Minister Begin would not do anything in the autonomy negotiations. He noted that we have problems here at home in how far we can push the Israelis. He said that Sadat has pledged himself to be flexible but all he has received is a narrow, biased and abusive response from Begin. Moreover, he thought Begin would exploit the killings in Hebron. The President concluded that we are facing a showdown in the Middle East. Turning to other areas of the world, the President said that we have problems with Pakistan, our relationship with South Korea is not too bad but the situation is dangerous. In Africa, he said he thought we had openings. For example, in Angola and possibly Mozambique. The President's view was that the American people will accept a better relationship with Marxist regimes in Africa. As for the new leader of Liberia, Sergeant Doe, the President didn't think that he knew what he wanted. Finally, the President said he would like to strengthen our relationship with Nigeria and for that purpose he suggested the Nigerian head of state be invited to come to the United States.

On Southeast Asia, he said that refugees continue to be a problem. But even worse were the refugees coming from Cuba. The President said he wants to communicate with Castro and see if Castro is willing to solve this problem. In his second term, said the President, he would hope to lift the economic blockade of Cuba. In fact, he hoped early in this Administration to do so but circumstances prohibited it.

Finally, on Iran, the President noted that Bani-Sadr had said that the hostages had not been moved from the Embassy. However, the President thought they had been moved. *Harold Brown* interjected that we see evidence at Tabriz that they may have taken some of the hostages there. *Dr. Brzezinski* added that it was important now to make a big issue of Red Cross access so that we know what has happened to our hostages.

*The President* noted that sanctions by the Europeans would be voted on May 17. He thought this would be a positive step but it would not

solve the problem. The President said he, personally, was not so worried about sanctions or other actions moving the Iranians into the Soviet orbit. He thought the Iranians had a profound fear of the Soviets.

The President said he wanted to deescalate the situation for a while because we have no alternative to patience. He said he did not know whether deescalation would work. The President concluded that we have to let the American people know what we are doing, and what we have done well, but, at the same time, not cover up real problems. At the same time, he said, we need initiatives that will look like a success. The problems we face, he thought, were over-emphasized but they were nonetheless real.

*Secretary-Designate Muskie* said that he should be the last to speak out but he thought that his coming on board can be presented as a success in itself or at least a pathway to success. He said the Europeans are all interested in evaluating him. In the process of getting to know them, he could emphasize the positive dimensions of our foreign policy. In particular, the idea that they can rely on us. Secretary-Designate Muskie said he felt the notion that we are erratic is hogwash. He thought that working with the Europeans could be presented as a new initiative and this could lead to a perception of the Western Alliance rallying around the United States.

*Henry Owen* thought that we could do something with the Western Europeans because they are scared of Ronald Reagan. He thought it wouldn't hurt if they spoke up in defense of the President. Our record is good with a long-term defense program and successful trade negotiations. For this reason, they should be willing to speak up. Henry Owen thought that the President's speech in Philadelphia should paint the same picture. It should focus on underlying policies, and talk about the fact that there would be no shortcuts. If the opponents think that there are, they are either lying or deceiving the American people.

*The Acting Secretary* thought that some problems with the Allies result from US leadership. On Afghanistan, for example, they are uncomfortable with our leadership. On the Olympics, they are giving us support. The important thing was to pick a few targets and be successful. He thought we should be focusing our primary attention on the Soviet Union. Warren Christopher added that before the meeting breaks up, he would like the President to hear Peter Tarnoff who heads up the State Department Secretariat. He stressed how valuable Peter Tarnoff was and said that if he had one person to take with him on a trip, it would be Peter Tarnoff.

*Peter Tarnoff* explained that the new secretary does not have to accept the system that currently exists in the Department. It can be molded. Henry Kissinger's system was very different from Cy Vance's system. He thought that other people had covered the main points:

the role of the Secretary of State, the process, the issue of policy contribution. He thought that the new Secretary-Designate would want to modify the system but he stressed that he would have the resources to make that modification. The word of how this meeting at Camp David was conducted will be very inspiring to the people in the Department.

*Secretary-Designate Muskie* commented that he has been in the Senate for 22 years and he has seen many reforms. Indeed, he was seen as a reformer himself and having seen the effect of those reforms, he wishes that a lot of them had never taken place.

*David Aaron* interjected at this point to say that there was one positive development on the horizon that the President could make into an important personal success. This was the meeting at Venice with the other seven heads of state. If properly prepared and conducted without great expectations being built up, he thought that it could be presented as an important personal success at a very important time for the President.

*The President* agreed with this assessment. He added that ways to improve consultations with our Allies should be on the agenda of the summit meeting. He said that as far as meetings are concerned, the French are always the problem. He thought we should try to set up the mechanism among the seven because it was difficult to exclude other countries. The Guadeloupe meeting arranged by the French embarrassed the Italians and the Japanese. The President said he wants to meet every six months with other heads of state and have more frequent contacts at other levels.

*Henry Owen* interjected that at some point we ought to set up a committee of the seven to deal with one another on a continuing basis. *The President* added that preparations and arrangements for the seven should be worked out at a meeting of the four.

*Warren Christopher* pointed out that there is a problem in dealing with the seven ambassadors here in Washington [1½ lines not declassified] *Henry Owen* [3 lines not declassified]

*David Newsom* turned to a different question—that of resources. He said this was not just a question of the amount of resources available to conduct our foreign policy whether it is in the aid area, the military assistance area or travel but it was the flexibility to use these forces [resources] and he wanted to signal this as a major concern which the Administration should work on for the future because it had a broad impact on the foreign policy.

*The President* said that he had talked with groups in the House and he had talked to President Ford about this problem. He said if we are to be successful, we have to work with Secretary-Designate Muskie's advice to make it clear to the American people and to the Congress

that a billion dollars in aid is just as important to our security as a billion dollars in the defense budget. Perhaps even more so. He endorsed the idea of a more flexible policy on aid. For example, he said that Angola may be a plum ripe for the picking if we could simply make some aid available. He said we need to go to the American people and make clear the facts about aid, the overwhelming bulk of which goes to Israel and Egypt.

*Harold Brown* said this problem is compounded by making our foreign military sales credit program part of the aid account when it is not aid at all.

*Secretary-Designate Muskie* jokingly suggested that he could combine the foreign affairs and defense function in the Congressional budget resolution. He then noted that when he ran for the Senate, he ran on a pro-foreign aid platform. He said there is a case based on our nation's security and interest for foreign aid. *The President* noted that he, too, can convince 150 Congressmen for fifteen minutes that aid is important but when they get back on the Hill, they revert to their old ways.

*Henry Owen* said we are entering a critical period in this regard. We have five big bills on the Hill dealing with assistance in various forms. Without the President's leadership, he said, we simply won't make it.

In summing up, *the President* said to Secretary-Designate Muskie that he hoped he would not be wedded to the past. Protocol and travel can be handled by Warren Christopher. The Secretary-Designate can say that he is devoting himself to the key points. He thought we had a good chance for a clean break but if Secretary-Designate Muskie goes to the airports with the Foreign Ministers and goes to the ASEAN meetings, he said that we simply won't be able to change the pattern of our activities. He suggested that the new Secretary might even wish to consider putting out a statement to this effect. *The Secretary-Designate* responded that he might be able to do that in connection with his confirmation hearings.<sup>7</sup>

*David Newsom* added a precautionary note. He said it is possible to separate the protocol functions but it is important to provide access. He said that our ambassadors in almost all countries have access to the head of state and the foreign ministers unlike what their ambassadors get here. So access and good treatment for the foreign ministers when they are here is an important contribution to our relationship.

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<sup>7</sup> For Muskie's May 7 statement before the Senate Foreign Relations Committee in support of his nomination, in which he discussed the role of the Secretary of State, see *Foreign Relations, 1977–1980*, vol. I, Foundations of Foreign Policy, Document 146.

*The President* said this was fine but it could be arranged so that there was a meeting with David Newsom and then a fifteen-minute meeting with the Secretary. The President stressed in closing that now was the time to make changes in the allocation of the Secretary-Designate's time.

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**26. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>**

Washington, June 6, 1980

SUBJECT

NSC Weekly Report #144

1. *Opinion*

Though it is still the honeymoon period, I thought you would be pleased to know that relations between Muskie and myself (and State and NSC) seem to be evolving very well. On substance, we have had no real disagreements, and the one or two minor substantive issues that came up were resolved amicably, e.g., the Middle East speech and the Gromyko letter.<sup>2</sup>

We had a minor flap involving David's<sup>3</sup> role in preparing the political summit, but this, too, worked out to mutual satisfaction sub-

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 127, Weekly National Security Reports: 5-7/80. Secret. A handwritten "C" indicates that Carter saw the memorandum. In his memoir, Brzezinski discussed Carter's organization of his administration: "Ultimately every decision-making system is a creature of the President, and each President has his own distinctive style. Carter's was perhaps formally the most centralized of all in the postwar era, even though that did not prevent some internal and even public disputes. Nonetheless, it was a system and a process that actively involved the President and his Cabinet-level advisers in day-to-day deliberations and intensive participation in foreign policy decision making. Further, it enabled President Carter toward the end of his term (October 9, 1980) to state quite accurately and with obvious pride: 'There have been Presidents in the past, maybe not too distant past, that let their Secretaries of State make foreign policy. I don't.'" (Brzezinski, *Power and Principle*, p. 74)

<sup>2</sup> A reference to Muskie's June 9 speech before the Washington Press Club. See the Department of State *Bulletin*, July 1980, pp. 3-5. For the text of the letter to Gromyko on Afghanistan, see Document 282 in *Foreign Relations, 1977-1980*, vol. VI, Soviet Union.

<sup>3</sup> David Aaron.

stantively and procedurally—e.g. Chris<sup>4</sup> delegated to David the task of negotiating out the draft Communique.

Muskie has a good political sense. He factors in the public's attitudes to a far greater extent than Cy did and has a keener sense of Congressional problems and opportunities.

He also strikes me as being more secure; and at SCC meetings, for instance, he does not convey the impression of resenting my chairmanship. (I often had the feeling that Cy did, and sometimes he even let it come through.) He also readily agreed to my suggestion that SALT discussions be handled by Earle-Dobrynin<sup>5</sup> and not on the Secretary of State-Dobrynin level.

I expect the press, and perhaps some staff, will do what they can to stimulate conflict—but somehow my feeling is that it will continue to work out OK.

[Omitted here is information unrelated to the Brzezinski-Muskie relationship.]

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<sup>4</sup> Warren Christopher.

<sup>5</sup> Ralph Earle, Chief of the United States Delegation to the Strategic Arms Limitation Talks.

# Intelligence Policy and Reform

## 27. Memorandum From Samuel Hoskinson of the National Security Council Staff to the President's Assistant for National Security Affairs (Brzezinski)<sup>1</sup>

Washington, January 25, 1977

### SUBJECT

PRM/NSC-11 Intelligence Mission and Structure

Attached is a revised draft of PRM/NSC-11 directing a comprehensive review of major foreign intelligence activities and the organizational structure of the Intelligence Community.<sup>2</sup>

I have talked over with Bill Hyland and the leading players in the Intelligence Community the problem of how best to organize the study. The basic problem is that no one wishes to see the other fellow in the chair because they fear their own views and interests will be suppressed. Everyone has a lot at stake in the outcome and is concerned that study be "impartial." Defense, which controls over 80 percent of the resources, is particularly adamant that the Director of Central Intelligence, or his Deputy for Intelligence Community Affairs, not be Chairman. Hank Knoche as Acting DCI is not insisting on the DCI's "right" to be chairman, but notes that the new DCI could see things in a different perspective.

The only acceptable solution *to all concerned* is that *you act as* chairman, i.e., as a sort of final court of appeal and neutral umpire. This could most easily be accomplished by assigning the study to the Special Coordination Committee which you, of course, always chair. As Chairman you could then ask the DCI's Intelligence Community Staff to develop, in consultation with David Aaron and me, a detailed terms

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<sup>1</sup> Source: Carter Library, National Security Affairs, Staff Material, Office, Box 137, Intelligence: PRM-11, 11/75-2/77. Confidential. Sent for action.

<sup>2</sup> At a question-and-answer session with Department of State employees on February 24, Carter stated his goals for the intelligence community: "I am conducting now a very careful analysis of the entire intelligence community. Admiral Stan Turner is going to be the new Director. He shares my commitment. But working with Cyrus Vance, with Admiral Turner, with Dr. Brzezinski, with the Attorney General, and with Harold Brown and myself, we are trying to evolve very rapidly what the intelligence community ought to be, what the limit of divulging this [sensitive and classified] material ought to be, and how can we at the same time guarantee to the American people that the abuses will be permanently eliminated." (*Public Papers: Carter, 1977*, Book I, p. 243) Carter was referring to the number of people in the Executive branch with access to classified national security information.



of reference and division of drafting labor. Once this game plan was approved by you, we would be in business and hopefully the mere fact of your neutral chairmanship would be enough to ensure that everyone got his say. Your major involvement would not come until the draft study was completed and ready for consideration by the full SCC.

#### RECOMMENDATION

That you sign the PRM at Tab A commissioning a comprehensive study of foreign intelligence activities and organizational structure.

#### Tab A

#### Draft Presidential Review Memorandum/NSC-11<sup>3</sup>

Washington, undated

TO

The Vice President  
The Secretary of State  
The Secretary of Defense

ALSO

The Secretary of the Treasury  
The Attorney General  
Director, Office of Management and Budget  
The Chairman, Joint Chiefs of Staff  
The Director of Central Intelligence  
The Administrator, Energy Research and Development Administration

SUBJECT

Intelligence Structure and Mission

The President has directed that the NSC Special Coordination Committee undertake a comprehensive review of major foreign intelligence activities and the organizational structure of the Intelligence Community.

The review should be completed by June 1, 1977, and should include:

1. Complete assessment of Executive Order 11905<sup>4</sup> in light of experience gained this year, including:

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<sup>3</sup> Secret.

<sup>4</sup> Executive Order 11905 was issued on February 18, 1976. Section 1 of the executive order defines its purpose: "The purpose of this Order is to establish policies to improve the quality of intelligence needed for national security, to clarify the authority and responsibilities of the intelligence departments and agencies, and to establish effective oversight to assure compliance with law in the management and direction of intelligence agencies and departments of the national government." Executive Order 11905 is printed in *Foreign Relations, 1969–1976*, vol. XXXVIII, Part 2, Organization and Management of Foreign Policy; Public Diplomacy, 1973–1976, Document 70.

(a) a description of the implementing actions that followed promulgation of the Order and identification of the procedural problems that have developed since it went into effect;

(b) an evaluation of the performance and capacity of the former Committee on Foreign Intelligence (CFI) and Operations Advisory Group (OAG), as well as the role of the Office of the Director of Central Intelligence and the Intelligence Community Staff as effective instruments for interagency control and direction;<sup>5</sup>

(c) an assessment of the role and effectiveness of oversight organizations and the impact of E. O. 11905 restrictions, and associated guidelines promulgated by the Attorney General, on foreign intelligence activities.

2. Existing definitions of mission, divisions of responsibility and management relationships should be re-examined in terms of organizational efficiency and utility. All elements of the National Foreign Intelligence Program (NFIP)<sup>6</sup> and Defense Intelligence activities coming under the cognizance of the Director for Defense Intelligence should be examined as well as the role of the National Foreign Intelligence Board and the DCI interagency committee structure. The adequacy of existing laws, executive orders, NSCIDs and departmental directives should be considered, as well as the necessity for statutory charters.

3. The following special problem areas should be addressed:

(a) Identification of the scope of existing liaison relationships with friendly intelligence services, the degree of our reliance on these relationships and their potential for negative impact on diplomatic relations through incidents here and abroad.

(b) Legal sanctions for the protection of sources and methods and the issues raised by the Privacy Act and Freedom of Information Act.<sup>7</sup>

(c) National counterintelligence policies and coordinating mechanisms.

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<sup>5</sup> The CFI was composed of the Director of Central Intelligence, the Deputy Secretary of Defense for Intelligence, and the President's Deputy Assistant for National Security Affairs; the group reported directly to the NSC. The CFI was charged with, among other things, establishing the collection and production priorities for national intelligence and providing guidance to the intelligence community in order to maintain the NSC's policy directions. The OAG was composed of the President's Assistant for National Security Affairs, the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence. The OAG managed sensitive intelligence issues, including policy recommendations to the President and collection operations.

<sup>6</sup> The NFIP was defined by the National Security Act of 1947. It included all programs and projects undertaken by the intelligence community, except for intelligence activities undertaken by the armed forces in order to execute tactical military maneuvers.

<sup>7</sup> P.L. 93-759 and P.L. 89-554, respectively.

(d) Legislation that both protects the civil rights of U.S. persons and provides for appropriate collection of foreign intelligence and counterintelligence through electronic and physical surveillance.

(e) Definition of a NFIP that provides a clear-cut distinction between national programs and those that are strictly departmental in nature or intelligence-related.

(f) Establishment of an effective intelligence requirements mechanism and evaluation process for measuring intelligence production performance.

(g) Production of national current and estimative intelligence.

**Zbigniew Brzezinski<sup>8</sup>**

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<sup>8</sup> Brzezinski did not sign this draft of the PRM; see Documents 28 and 29.

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**28. Memorandum From the Deputy to the Director of Central Intelligence for the Intelligence Community (Murphy) to Director of Central Intelligence-Designate Turner<sup>1</sup>**

Washington, February 17, 1977

SUBJECT

Redraft of PRM-11 and Comments

1. Fritz Ermarth, my Director of Performance, Evaluation and Improvement, took the lead in preparing the attached proposed draft of PRM/NSC-11.<sup>2</sup> It attempts to accomplish three things:

a. It levies a comprehensive review including most of the substance of the earlier (Hoskinson) draft;<sup>3</sup>

b. It separates in a suitable way what should be separated, namely the management and performance issues from the legal environment issues;

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<sup>1</sup> Source: Central Intelligence Agency, Office of the Director of Central Intelligence, Job 97M00248R: Policy Files, Office Level and Above, Box 1, Folder 12: PRM 11—Intelligence Structure and Mission (Folder 1). Secret.

<sup>2</sup> Not attached.

<sup>3</sup> See Document 27.

c. And, most important, it gives you the kind of central *leadership* role—not dictatorial role—that you should have in this review.

2. There are several reasons why your leadership is crucial: First, the key Community management issue is the balance between responsibilities and authorities. Numerous past studies and directives, dominated by those who did not have to implement them (including the Schlesinger study of 1971<sup>4</sup> and Executive Order 11905)<sup>5</sup> dodged or fuzzed this fundamental issue. They ended up giving the DCI responsibility for rationalizing Community resource allocations that exceeded his authority or power to achieve in an effective and *convenient* way. This is not to say that the Executive Order was a misstep or that working with it is impossible. It is just very difficult, and probably unnecessarily difficult, to achieve its objectives with the powers it provides. The essential point is this: People who do not have to bear the responsibility for a management result almost always underestimate the problems of achieving them through vague, collegial, committee-like instruments.

3. The second reason why you should be given the charge is that such a role at this time is crucial for your image, your reputation, your standing as the man to whom the President looks for wise and fair stewardship of US national intelligence affairs. As you know, the President has talked about fully relying on his senior officers to manage in their spheres of responsibility. Therefore, *not* putting you in charge would prejudice the effective outcome of the review, whatever the specific decisions resulting therefrom turned out to be. It would say, in effect, the President does not really want you to manage the national intelligence community.

4. There are several important reasons why it is possible for your leadership of the major portion of this review to be fair and balanced. First, as this draft does, the President can outright tell you to take full account of all options, and all agencies' views of them.

5. Second, I recall that Secretary Brown told Hank Knoche that the DCI *should* take the lead in this review. This negates the argument that Defense will never go along with DCI leadership.

6. Following are some additional comments on specific points of the proposed PRM to help explain, justify, and, if necessary, fall back gracefully:

*Note 1, Page 1:* It may be desirable for the President to sign this PRM, saying "I direct . . ." I have seen one draft PRM (10) which would

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<sup>4</sup> See *Foreign Relations*, 1969–1976, vol. II, Organization and Management of U.S. Foreign Policy, 1969–1972, Document 229.

<sup>5</sup> See footnote 4, Document 27.

carry his signature. Fritz Ermarth called Hoskinson to ask, in passing, if they have any ground rules on which ones he personally signs. Evidently they do not. But it would surely add to the credibility of the instructions.

*Note 2, Page 1:* The charge to the SCC, headed by Brzezinski, is more than a mere bone. It tells the senior working level of the NSC machinery, in effect, to take seriously the task of looking at its intelligence needs and developing some reliable way of conveying them. In part it would be a forced learning process for the new team, but it would also, early in the review, help to set the ultimate substantive goals and priorities of intelligence management that you are supposed to pursue.

*Note 3, Page 1:* This review of past performance could rely on recent studies such as the IC Staff Semiannual Review for the NSC—which the previous Administration never really came to grips with. And we could feed the second semiannual review into this SCC effort with, hopefully, more substantial results.

*Note 4, Page 2:* This look at mechanisms is intended to embrace such functions as OAG, WSAG, and it could also include PFIAB.

*Note 5, Page 2:* Here is the crunch! You will be the chairman of the PRC for the main body of this review. The arguments for this are in the opening paragraphs of this memorandum. But we could retain the *essence* of your leadership if the chairman were Brzezinski while you were charged to run the study effort and personally report the results to the PRC. If we went this way, we would have to get a clear understanding from Brzezinski that, while chairing the review meeting of the PRC, he would *not* try to organize the study himself or micro-manage the proceedings. In any case, a senior NSC staffer should be represented in the actual working machinery that produces the study.

*Note 6, Pages 3 and 4:* The language of the Hoskinson draft PRM makes it clear that the review should not only look at your management responsibilities under present or alternative structures, nor merely at areas outside your responsibilities that directly affect them, but *also* at how purely departmental intelligence management meets departmental needs. This is supposed to be a national level review of *all* US foreign intelligence. Thus, for example, the role and control of Foreign Service reporting is a germane topic.

*Note 7, Page 4:* We include counterintelligence as a major management issue for the DCI. We dropped a bullet on covert action, but it would naturally be addressed under the first bullet on your roles.

*Note 8, Page 4:* This omnibus item on intelligence planning, evaluation, and improvement is there in part because Hoskinson told Ermarth the study had to go beyond responsibilities, powers, and organization;

it had to say something about how, in fact, you would seek to optimize performance and resource allocations; by what tools, methods, and suborganizations. Clearly this would get into, among other things, staff organizations, the role and use of NFIB, data bases and management techniques for controlling resources, zero-base budgeting, the committee structure, etc.

*Note 9, Page 5:* Assigning the job on the legal environment to the Attorney General seems proper for a number of reasons. He is the lawyer of the President and the Executive Branch. In the matter of legal powers, you might be seen to have credibility problems in an area of greater *public* concern than resource management. Putting the Attorney General role here would force him, and the subordinates he puts on this job, to take hard looks at the national security imperatives of the subject, which his predecessor seems to have failed to do. "Close collaboration with the DCI" would assure that your interests get a fair shake. Incidentally, if Brzezinski is designated to chair the PRC on intelligence management, it might be wise that he also chair the one on intelligence law, with the Attorney General and yourself as chief rapporteurs.

7. Ultimately, I would expect the President to chair a full meeting of the NSC to make decisions on the whole package. How the PRM process leads from study tasking to Presidential decision, in a procedural sense, is still somewhat confused. Those on the NSC Staff who have been asked about this say they know it is confused now but that it will get sorted out in time.

Daniel J. Murphy<sup>6</sup>

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<sup>6</sup> Murphy signed "Dan" above this typed signature.

**29. Presidential Review Memorandum/NSC–11<sup>1</sup>**

Washington, February 22, 1977

TO

The Vice President  
The Secretary of State  
The Secretary of Defense

ALSO

The Secretary of the Treasury  
The Attorney General  
Director, Office of Management and Budget  
The Chairman, Joint Chiefs of Staff  
The Director of Central Intelligence  
The Administrator, Energy Research and Development Administration  
The US Representative to the United Nations

SUBJECT

Intelligence Structure and Mission (U)

I have directed that the NSC Special Coordination Committee undertake a comprehensive review of major foreign intelligence activities and the organizational structure and functioning of the Intelligence Community.

This review will be undertaken in the following manner:

1. A subcommittee of the SCC under the direction of the Attorney General shall review the adequacy of existing laws, Executive Orders, National Security Council Intelligence Directives and Departmental Directives, including:

—Legal sanctions for the protection of sources and methods and the issues raised by the Privacy Act and Freedom of Information Act.

—Legislation that both protects the civil rights of U.S. persons and provides for appropriate collection of foreign intelligence and counter-intelligence through electronic and physical surveillance, and

—The need for statutory charters for all foreign intelligence agencies.

2. Under the direction of the Director of Central Intelligence, a subcommittee of the SCC shall review the responsibilities and powers of the Director of Central Intelligence in his role as Foreign Intelligence Advisor to the President, central authority for the production of national intelligence and manager of the national foreign intelligence

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 2, PRM–NSC 1–24 [I]. Secret.

program and budget. This examination should include an analysis of the mechanisms for:

- planning, evaluating and improving the Intelligence Community performance;
- identifying intelligence requirements and tasking all sources;
- processing, analyzing, producing and distributing intelligence for anticipated activities, warning, crisis support, current and estimative intelligence and net assessments;
- evaluating intelligence production performance.

3. Based on the foregoing analysis, the Special Coordination Committee should undertake a complete assessment of Executive Order 11905 in light of the experience gained over the last year, including:

- Evaluation of the performance, capacity and procedural problems regarding the former Committee on Foreign Intelligence and Operations Advisory Group, as well as the Office of the Director of Central Intelligence and the Intelligence Community Staff to act as effective instruments for control, direction and management of the Intelligence Community.

- An assessment of the role and effectiveness of oversight organizations and the impact of Executive Order 11905 restrictions, and associated guidelines promulgated by the Attorney General on foreign intelligence activities.

- A critique of existing definitions of mission, division of responsibility and management relationships in terms of organizational structure, efficiency and utility. All elements of the National [Foreign] Intelligence Program (NFIP) and Defense Intelligence activities coming under the cognizance of the Director for Defense Intelligence should be included as well as the roles of the National Foreign Intelligence Board and the DCI interagency committee structure.

- An analysis of national counterintelligence policies and coordinating mechanisms.

This assessment should present alternative options for dealing with the above issues. These options should address, but need not be limited to:

- Preserving and improving present arrangements under Executive Order 11905, as amended.

- Adding to the line of authority of the Director of Central Intelligence over national intelligence collection programs.

- Separating the role of the Director of Central Intelligence as community manager from the role of the Director of Central Intelligence.

- Separating Central Intelligence analysis and production from all collection, operational and intelligence-related research and development activities.



The final report should be completed by June 1, 1977.<sup>2</sup>

J. Carter

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<sup>2</sup> Carter added a final paragraph by hand, "Interrelationships among the various intelligence agencies will be assessed and recommendations made to me by the SCC as a whole." Three subcommittees were formed to review the three "tasks" set forth in paragraphs 1, 2, and 3 of PRM/NSC-11.

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### 30. Letter From the Chairman of the Intelligence Oversight Board (Murphy) to President Carter<sup>1</sup>

Washington, February 26, 1977

Dear Mr. President:

The Intelligence Oversight Board wishes to bring to your attention, and to the attention of the Attorney General, a practice which, the Board believes, raises serious questions of legality and propriety. The practice involves both the dissemination, by the Federal Bureau of Investigation, and the retention, by other intelligence agencies, of information concerning the domestic activities of United States persons.

The FBI, pursuant to guidelines issued by Attorney General Levi on May 28, 1976,<sup>2</sup> conducts foreign intelligence and foreign counterintelligence operations which electronically intercept, within the United States, the telephonic communications of certain governments, organizations and individuals. In the course of conducting electronic surveillance targeted on non-U.S. persons the communications of U.S. persons are, frequently, incidentally acquired. Certain of these incidentally acquired communications are, in turn, disseminated to other agencies of the government.

The Intelligence Oversight Board has reviewed a number of the communications which have been disseminated. The Board believes that at least some of the material can not reasonably be said to constitute foreign intelligence information and, accordingly, it should not be dis-

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Subject File, Box 29, Intelligence Oversight Board, 3-12/77. Secret. The original is attached to a covering memorandum from Joe Dennin to Brzezinski, February 26.

<sup>2</sup> Not found.

seminated by the FBI nor should it be retained by other intelligence agencies.

Enclosed for your consideration is an internal IOB memorandum<sup>3</sup> which discusses this matter in greater detail.

Respectfully,

**Robert D. Murphy**  
*Chairman*

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<sup>3</sup> Not found attached.

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**31. Memorandum From Samuel Hoskinson of the National Security Council Staff to the President's Assistant for National Security Affairs (Brzezinski)<sup>1</sup>**

Washington, February 28, 1977

**SUBJECT**

President's Foreign Intelligence Advisory Board (PFIAB) and Intelligence Oversight Board (IOB)

This memorandum reviews the performance of and makes recommendations on the future disposition of PFIAB and IOB. I have reviewed a special PFIAB study on itself, talked at length with both Leo Cherne (Chairman) and Wheaton Byers (retiring Executive Secretary), and exchanged views with a number of senior intelligence officials. My personal experience with the Board is fairly extensive, both as a member of the NSC Staff and as a senior intelligence official. I have talked at length with IOB's principal staff member (Joe Dennin) and have observed the working of the Board close up for about eight months.

**PFIAB**

At Tab B<sup>2</sup> is "A Commentary on the Background and Activities" of PFIAB prepared by the Board's Executive Secretary and approved

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<sup>1</sup> Source: National Security Council, Carter Intelligence Files, Intelligence Oversight Board, 7 March 1977–12 May 1977. Secret. Outside the System. Sent for action.

<sup>2</sup> Attached but not printed.

by Leo Cherne. It was drafted, of course, by advocates but provides a useful summary history and statement of what the Board perceives as its role.

The Board perceives its role as follows:

—Providing the President with an “independent source of advice” on the effectiveness of the Intelligence Community in meeting his intelligence needs and “the vigor and insight with which the Community plans for the future.”

—“Appraisal” rather than “investigation” of the “objectivity and excellence” of intelligence.

—Not normally “prepared or suited” to discuss major intelligence activities in “programmatic detail.”

A review of PFIAB recommendations over the past 21 years (Tab C)<sup>3</sup> indicates that it has focused on the most important national intelligence production and organizational problems. It is hard to judge with any precision, however, just how important its actual contributions have been.

In some areas—like covert action—the Board has played virtually no appraisal or advisory role at all and—so far as I can determine—it had no knowledge of any of the “abuses” that were revealed by Congressional investigations.

Most of the Board’s activities have been concerned with intelligence collection and analytical production. In the early years the Board spent much of its time appraising intelligence collection efforts and reportedly played an influential role in the decisions which led to the establishment of the present overhead reconnaissance program. In recent years, however, its focus of primary attention has shifted to intelligence analysis. This had included an examination of economic intelligence reporting and a review of the estimating process that led to the recent “A Team-B Team” experiment concerning Soviet strategic forces.<sup>4</sup> The Board has recently also been active in such areas as the vulnerability of U.S. communication systems to Soviet intercept, quasi-legal procedural issues arising out of E.O. 11905 and promotion of improved relationships between different elements of the Intelligence Community and, at times, the White House. Attempts have been made to facilitate intelligence producer-consumer relationships.

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<sup>3</sup> Attached but not printed.

<sup>4</sup> The Team A/Team B exercise, conducted in late 1976, was an experiment in competitive analysis of Soviet military capabilities. Team A was comprised of intelligence community analysts; Team B was a group of reviewers with expert knowledge chosen by the DCI from both within and outside government. See *Foreign Relations*, 1969–1976, vol. XXXV, National Security Policy, 1973–1976, Documents 165, 169, 170, 171, 172, 173, and 174.

PFIAB may well be a classic case of an institution whose original purpose was valid but which has outlived most of its usefulness because of the creation of newer institutions more qualified to perform its functions in a changed environment. Thus, whereas PFIAB was for many years virtually the sole functioning oversight body—albeit with some significant blind spots—we now have several more-or-less healthy specialized oversight mechanisms within both the executive and legislative branches that do the overall job better.

On the legislative side we now have the new Senate Select Committee on Intelligence (SSCI) which has carved out for itself a strong oversight role in virtually every aspect of foreign intelligence activities and taken on the sizable and experienced staff to do the job.<sup>5</sup> In the House, the Appropriations Committee has demonstrated an especially vigorous oversight role in some areas.

In the Executive Branch, the PRC (as the successor to the CFI) is concerned with setting overall management policy for the Intelligence Community and the development of specific programs responsive to intelligence requirements. The SCC (as the successor to the OAG) is concerned with the oversight of all sensitive special activities. Finally a 200-man Intelligence Community Staff has been created to work on Community-wide programs and budget development, policy, planning and production performance, evaluation and improvement. The overall performance of these new institutions will be one of the prime subjects of PRM/NSC-11, but it is clear that in terms of oversight they accomplish much more than PFIAB ever can.

Despite the fact that PFIAB's original functions have been supplanted by newer, more effective institutions, it still serves some useful purposes. PFIAB provides a small measure of reassurance to the American people about our country's foreign intelligence activities. It is also a vehicle for the President to involve trusted friends outside the USG in oversight of the Intelligence Community and put them in a position to advise him in an educated way on foreign intelligence matters. Finally, the Board provides a temporary home for prominent people deserving of special Presidential recognition at least in part for domestic political reasons.<sup>6</sup>

In sum, at best only a marginal case can be made on strictly intelligence oversight grounds for retaining PFIAB as an institution. This is

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<sup>5</sup> SSCI was established in May 1976 as a successor to the Senate Select Committee To Study Governmental Operations With Respect to Government Operations, formed in April 1975 and known as the Church Committee after its Chairman, Senator Frank Church (see footnote 3, Document 32).

<sup>6</sup> An unknown hand wrote "the real key" in the margin adjacent to the last sentence.

clearly one board that can be eliminated without serious loss in the drive to reduce the extended White House family and advisory groups.

*Intelligence Oversight Board (IOB)*

The theoretical case for the IOB is much stronger than for PFIAB and, in any event, the President's public endorsement makes the issue of IOB continuance academic.<sup>7</sup> On the other hand, several actions should be taken to strengthen the Board's performance in the future.

The basic IOB concept of a small independent board focused exclusively on identification of possible illegal or other improper activities within the Intelligence Community was one of the most important reforms of E.O. 11905. While not technically an investigatory body, the IOB system of requiring strengthened and semi-independent (at least for IOB reporting purposes) Inspectors General and General Counsels to report possible infractions on periodic basis appears sound. One measure of success is the large volume of trivia which has been reported to the Board over the last year and, the minor issues it has then passed on to the President. (See Tab D<sup>8</sup> recent analysis prepared for the President.)

The *IOB nonetheless has a very serious problem* in the form of a superannuated chairman and a weak staff. While Robert Murphy is a man of unquestioned integrity and high reputation, the hard fact is that he is no longer able to perform well on a sustained basis. He has, therefore, virtually abdicated much of the chairman's role to Joseph Dennin, the IOB's present sole staff member. Dennin is a fairly able lawyer with Church Committee experience but even after about eight months on the job, remains naive about many aspects of the foreign intelligence world and is given to slightly moralistic judgments. He was, for example, the author of the IOB report to President Ford questioning the propriety of CIA's relationship with King Hussein. Moreover, the leading candidate for the Hussein leak appears to have been an assistant Dennin hired who among other things flaunted his ties with Bob Woodward<sup>9</sup> and was as much interested in ingratiating himself with the press as serving the President.

The other members of the IOB—Leo Cherne and Stephen Ailes—are much more active and alert than Murphy. Cherne in fact has been the real moving force in many instances and Ailes is a prominent lawyer. Both men, however, have failed—at least as reflected in IOB

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<sup>7</sup> Carter discussed intelligence community oversight, mentioning the Intelligence Oversight Board, during his February 24 session at the Department of State. See *Public Papers: Carter, 1977*, Book I, p. 243.

<sup>8</sup> Not found attached.

<sup>9</sup> Bob Woodward was an investigative journalist with the *Washington Post*.

reports—to discriminate between minor, and in some cases, inadvertent infractions and serious problems worthy of the President’s attention. In part this may stem from the fact that the Board was new and had no established operational pattern, but in part it must reflect a certain lack of perspective.

My strong feeling is that it is important to the President (so that he can be personally assured about the activities of the Intelligence Community) and to Intelligence Community (in helping to regain the confidence of the American people) to have a strong and effective IOB. Oversight is simply too important to leave in the hands of a fading intellect as chairman and a young staffer.

#### *RECOMMENDATION*

That you send the memorandum at Tab A<sup>10</sup> to the President recommending (a) abolishing of PFIAB and (b) reconstituting and strengthening the IOB.

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<sup>10</sup> Printed as Document 32.

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### **32. Memorandum From the President’s Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>**

Washington, undated

#### **SUBJECT**

President’s Foreign Intelligence Advisory Board (PFIAB) and Intelligence Oversight Board (IOB)

My staff has reviewed in some depth the activities of your Foreign Intelligence Advisory Board (PFIAB) and the Intelligence Oversight Board (IOB) with a view toward providing recommendations on their future disposition.<sup>2</sup>

#### *PFIAB*

The PFIAB has existed in various forms for over 21 years and has served a useful oversight role during much of that period. Its scope,

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 94, Subject Chron, Intelligence, 3/77. Secret. Outside the System. Brzezinski did not initial the memorandum.

<sup>2</sup> See Document 31.

however, has been largely limited to appraisal of intelligence collection and analytical production. The Board has not gotten into covert action operations. The Board's most conspicuous failure was in apparently not perceiving the abuses that were revealed by Congressional investigations.<sup>3</sup> Its success in recent years has been in helping to focus attention on intelligence analytical production issues and to a limited extent influencing organizational decisions.

PFIAB may well be a classic case of an institution which has outlived much of its original usefulness. New interagency committees and oversight mechanisms within both the Executive and Legislative branches have been created that perform better many of the same oversight functions as PFIAB and, in some important areas, such as oversight of covert action and investigation of possible abuses, go beyond PFIAB's traditional role.

On the other hand, PFIAB does still serve some useful functions. It provides, for instance, a small measure of assurance to the public concerning foreign intelligence activities. It has also in the past served as a vehicle for the President to involve trusted friends outside the government in oversight of the Intelligence Community and put them in a position to advise in an educated way. Finally, appointments to the Board to a limited extent have gone to prominent people deserving special Presidential recognition, at least in part for domestic political reasons.

In short, I believe that only a marginal case can be made for continuing PFIAB.

#### *Intelligence Oversight Board (IOB)*

The IOB was created by E.O. 11905 to meet a pressing requirement to establish a system whereby the President could be assured that foreign intelligence activities which raised serious questions of legality or propriety would be brought to his attention. The Board's performance to date indicates that this is possible.

The present Board has some problems which should be resolved soon so that it will function properly in the future. The most serious problem is the Chairman, retired Ambassador Robert E. Murphy. Put most candidly, Murphy, although a man of integrity, is no longer

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<sup>3</sup> A reference to the Church and Pike Committees. The Church Committee investigated abuses in the intelligence community in the wake of Watergate, published 14 reports containing their findings, and called for reform. The Pike Committee, established in 1975, became the House Permanent Select Committee on Intelligence in July 1977. It was named for its last chairman, Representative Otis Pike. Like the Church Committee, the Pike Committee also investigated abuses in the intelligence community. See *Foreign Relations, 1969–1976*, vol. XXXVIII, Part 2, Organization and Management of Foreign Policy; Public Diplomacy, 1973–1976.

up to the responsibilities of the Chairman's job, either mentally or physically, and should be replaced. Very careful consideration should also be given to the question of retaining the other two members—Leo Cherne and Stephen Ailes. While more able and active than Murphy, Cherne and Ailes have demonstrated an inability to distinguish in their reporting to the President between activities that raise genuinely serious legal issues or questions of propriety and minor infractions that, in some instances, are inadvertent.

The quality of the IOB's staff support should also be strengthened. At least two good staff members are required.

*RECOMMENDATION*<sup>4</sup>

1. That PFIAB be abolished, in the context of reconstituting and strengthening the IOB (a separate implementing memorandum would be provided).

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

2. That the NSC Staff attempt to identify for your approval a proposed new IOB membership.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

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<sup>4</sup> Carter did not indicate his preference with respect to either of the recommendations. On May 4, Carter abolished the President's Foreign Intelligence Advisory Board by issuing Executive Order 11984. See *Public Papers: Carter, 1977*, Book I, pp. 801–802.

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**33. Note From President Carter to Vice President Mondale, Secretary of State Vance, Attorney General Bell, the President's Assistant for National Security Affairs (Brzezinski), Director of Central Intelligence Turner, and the White House Counsel (Lipshutz)<sup>1</sup>**

Washington, March 5, 1977

To Mondale, Vance, Bell, Brzezinski, Turner, Lipshutz

Please arrange a two-to-three hour meeting early next week to give me a recommendation on overall policy and individual cases concerning intelligence and national security.

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Agency File, Box 16, State Department (State), 1–3/77. Confidential. The note is handwritten.



The Vice President should preside.<sup>2</sup>

Subsequently I will meet with appropriate Congressional leaders.

**J. Carter**

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<sup>2</sup> A record of discussion summarizing the conclusions of this March 8 meeting is in Central Intelligence Agency, Office of the Director of Central Intelligence, Job 97M00248R: Policy Files, Office Level and Above, Box 1, Folder 12: PRM 11—Intelligence Structure and Mission (Folder 1).

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**34. Memorandum From the General Counsel of the Central Intelligence Agency (Lapham)<sup>1</sup>**

Washington, March 18, 1977

MEMORANDUM FOR

Deputy Director of Intelligence  
Deputy Director of Operations  
Deputy Director of Administration  
Deputy Director of Science and Technology  
Office of Legislative Counsel  
Director of Security  
George W. Clarke, Asst. to DDCI

SUBJECT

PRM/NSC–11 Subcommittee

1. The first agenda item of the PRM/NSC–11 Subcommittee that is operating under the direction of the Attorney General<sup>2</sup> is to consider proposed legislation relating to the unauthorized disclosure of national security information.<sup>3</sup>

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<sup>1</sup> Source: Central Intelligence Agency, Office of the Director of Central Intelligence, Job 97M00248R: Policy Files, Office Level and Above, Box 1, Folder 12: PRM 11—Intelligence Structure and Mission (Folder 1). No classification marking.

<sup>2</sup> This subcommittee was charged with Task 1 of PRM/NSC–11: to review the adequacy of existing laws and directives. See Document 29.

<sup>3</sup> See footnote 11 below.

2. The main features of this bill as we see them include:

A. Language which restricts the criminal act to the disclosure of classified information as defined by Executive Order 11652<sup>4</sup> and implementing directives promulgated pursuant thereto—(a) and (b)(1).

B. Language which requires that the disclosure be to an unauthorized recipient yet permits unrestricted communication between identified classes of individuals authorized to possess, control or receive classified information—(a) and (b)(2).

C. A provision making it a defense that the information was previously placed in the public domain, either officially or unofficially—(c)(3);

D. A provision which eliminates as a criminal act disclosure of classified information to a member of Congress or to a court of the United States—(c)(2);

E. A provision which conditions prosecution on the availability of administrative review of the classification either internally or under the Administrative Procedures Act<sup>5</sup>—(c)(1);

F. A provision which provides that in certain cases (the failure of the individual to seek review of the classification) the lawfulness of the classification shall not be an element of the offense—(e).

3. Several of these provisions are similar, though broader, than provisions which were incorporated in the Administration's sources and methods legislation introduced in H.R. 12006.<sup>6</sup> The items mentioned in paragraphs A, B and F are new.

4. The Agency is required to submit its comments at the next Subcommittee meeting scheduled at 2 p.m. on 18 March 1977. I recognize that it will be impossible for you to adequately examine this legislation in the time provided. Accordingly, I will not represent my comments to be a coordinated-agency position on this matter. However, I would appreciate the communication of any first impressions you may have regarding the Department of Justice bill or general comments relating to criminal sanctions for the unauthorized disclosure of classified information. These comments may be telephonically communicated to [*less than 1 line not declassified*]

**Anthony A. Lapham<sup>7</sup>**

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<sup>4</sup> E.O. 11652 established a new system for classification and declassification of government documents relating to national security.

<sup>5</sup> P.L. 79-404.

<sup>6</sup> H.R. 12006 (94th Congress) proposed to amend the National Security Act of 1947 to make the Director of Central Intelligence responsible for protecting intelligence sources and methods. The bill was referred to the House Committee on Armed Services in February 1976, where it died.

<sup>7</sup> Printed from a copy that bears this typed signature.

## Attachment

### **Memorandum From the General Counsel of the Central Intelligence Agency (Lapham) to the Members of a PRM/NSC-11 Subcommittee<sup>8</sup>**

Washington, March 18, 1977

#### SUBJECT

CIA Comments on Draft Unauthorized Disclosure Legislation and Related Matters

1. This memorandum pertains to the first item on the agenda distributed at last week's organizational meeting of the PRM/NSC-11 subcommittee chaired by Mr. Harmon. That agenda called for comments by 16 March on a draft criminal statute,<sup>9</sup> copies of which were also distributed at the meeting, relating to the unauthorized disclosure of national security information, and on other possible civil or criminal approaches to the overall problem addressed by the draft statute.

#### *The Context*

2. The basic existing statute dealing with unauthorized disclosure of national security information is the Espionage Act, enacted in 1917 and largely unchanged over the last 60 years, and particularly two sections of that Act, 18 U.S.C. §§793 and 794.<sup>10</sup> These provisions are vague and clumsy in their wording. For example, they describe the category of information to which they relate as "information relating to the national defense," which quite conceivably could include everything from the most vital national secrets to the daily stock market reports. Some of these uncertainties have been sorted out by judicial interpretation, so that it is now settled that at a minimum the provisions apply, and are constitutional as applied, to those activities commonly

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<sup>8</sup> No classification marking. Brackets are in the original.

<sup>9</sup> Attached but not printed.

<sup>10</sup> There are a number of other provisions, in the Espionage Act and other statutes, but none are of such general application. So, for example, the statutory inventory would include the so-called photographic statutes (18 U.S.C. §§795 and 797 and 50 U.S.C. §781, outlawing sketches or photographs of certain military installations or equipment), 18 U.S.C. §798 (which covers cryptographic information), 18 U.S.C. §952 (which relates to disclosure of foreign diplomatic codes), the so-called restricted data statute, 42 U.S.C. §§2271–81 (applicable to information concerning atomic energy and weapons), and 50 U.S.C. §783 (making criminal the disclosure by Government employees of classified information to foreign agents). Other statutes become applicable only in wartime. All the statutes in this group have limited utility in that they are directed to rather specialized circumstances that do not often occur. [Footnote is in the original.]

associated with "spying," e.g., selling secrets to the Soviets. It remains unclear, however, whether as a matter of law these provisions could be applied to other very different forms of unauthorized disclosure, such as the publication of books or leaks to the press. It is extremely doubtful that the provisions were intended to have application in such situations, and as a matter of historical fact, leaving aside the unsuccessful Ellsberg prosecution and possibly one or two other cases, they never have been so applied.<sup>11</sup> The draft statute would pick up where the Espionage Act appears for all practical purposes to leave off and would extend criminal sanctions to acts of disclosure in situations not characterized by dealings with foreign agents or powers.

3. In other than espionage situations, there obviously are critically important public policies favoring the free flow of information and ideas necessary to informed public discussion and debate, and at the same time there are well-known or at least widely suspected bureaucratic tendencies to overclassify, undoubtedly fed by the slipperiness of the classification standards, and occasional efforts to conceal embarrassing mistakes, or something worse, behind bogus national security claims, all of which are factors that produce hostility and skepticism when it comes to proposed secrecy legislation. Beyond these barriers lie the fundamental constitutional precepts with a direct bearing on legislation in this field, namely, the First Amendment prohibition against the enactment of any law abridging freedom of speech or press, the mandate, rooted in the Fifth Amendment, that legislated norms of conduct be expressed in terms that are reasonably certain and definite, especially where criminal penalties are attached, and the procedural guarantees surrounding the judicial process, not to mention the rules of discovery.

#### *The Key Elements*

4. In view of the opposing forces and values, it seems to us that any proposed legislation must be as finely drawn as possible if it is to have any decent chance of survival in both the Congress and the courts.

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<sup>11</sup> Under current Justice Department procedures, unauthorized disclosures of national security information, in other than espionage situations, are almost never even investigated, let alone prosecuted. Apart from a natural reluctance to proceed in such situations, stemming from the absence of any clearly applicable statute, the principal stumbling block standing in the way of investigations is the Department of Justice practice of insisting on an advance commitment that the compromised information, which as disclosed is very apt to be fragmentary and only partially accurate, will be declassified for purposes of prosecution. Essentially a commitment to declassify is a commitment to officially confirm in accurate terms, and probably to augment, the information involved, and thus the more sensitive the information, the more painful the declassification decision required to be made. The upshot is that the worst and most damaging leaks are the ones least likely to be investigated. [Footnote is in the original.]

Further, it seems to us that any proposed bill must have the following essential features:

(a) A clear definition of the class of persons that would be exposed to liability.

(b) A clear definition of the type of information that would be covered—that is, as to which communication would be restricted.

(c) A clear definition of the kind of communications that would be restricted—that is, the circumstances in which the disclosures of restricted information would constitute an unlawful act.

(d) A provision establishing a mental standard of culpability—that is, the intent element of the offense.

(e) Provisions creating a procedure for prompt and independent review, upon request by a person subject to the law's restraints, of official determinations that particular information requires protection against disclosure.

(f) Provisions that eliminate or at least minimize the need to publicly disclose sensitive information, over and above the information compromised by the unauthorized disclosure, in order to establish the commission of an offense.

(g) Sanctions effective for the purpose of deterring the conduct declared to be unlawful.

#### *The Draft Statute*

5. In form, the draft statute would amend Chapter 93 of Title 18 of the United States Code by adding a new section 1924, entitled "Unauthorized Disclosure of Classified Information." Chapter 93 contains an assortment of criminal provisions relating to the conduct of public officers and employees, and since the draft statute is in keeping with that theme, we think its placement in Chapter 93 would be appropriate.

6. Generally speaking, as we understand the basic scheme, the draft statute would make it an offense for any member of a class consisting of all those persons authorized to possess or control classified information to communicate such information to any person not a member of that class. We have several reservations about that basic scheme, and we have organized our comments in the order of the considerations that we deem to be of key significance, as outlined in paragraph 4 above.

7. Subsections (a) and (b)(2) must be read together to determine the coverage of the bill, as to persons. Subsection (a) provides:

(a) Whoever, being or having been in authorized possession or control of classified information or material, or being or having been an officer or employee of the United States, a member of the Armed Forces of the United States, a contractor of the United States Government, an employee of such a contractor, or an employee of Congress, and in the course of that relationship acquires knowledge of classified information or material, knowingly communicates such information or material to a person not authorized to receive it shall be fined not more than \$10,000 or imprisoned not more than five years.

Under this language, the affected class consists of specifically enumerated categories of persons (members of the Armed Forces, etc.), to the extent they acquire knowledge of classified information in the course of government employment or employment by a government contractor, plus anyone else formerly or presently “in authorized possession or control of classified information or material.” The latter catchall category is explained by subsection (b)(2), which provides:

(b)(2) A person is deemed to be authorized to possess, control, or receive classified information or material, (A) if he is an officer or employee of the United States, a member of the Armed Forces of the United States, a contractor of the United States Government or an employee of such contractor, with a security clearance of the same characterization as the classified information or material, (B) if he is a Member of Congress, an employee of Congress, or an officer or employee of the judicial branch of the United States Government, or (C) if he has been authorized in writing to possess, control, or receive classified information by an officer of the United States appointed by the President.

8. As we see it, subsections (a) and (b)(2) are redundant in some respects and inconsistent in others. So, for example, looking just to subsection (a), one would conclude that employees of Congress, but not members of Congress, are part of the affected class. However, looking to subsection (b)(2), as one must in order to find the meaning of the phrase “[w]hoever, being or having been in authorized possession or control of classified information or material,” as that phrase is used in subsection (a), the conclusion to be drawn is that the affected class includes members as well as employees of Congress. The confusion comes about because subsection (b)(2) introduces the concept of a class of authorized recipients of classified information, without however making clear the function of that concept, and the net result is that the bill lacks a plain and definite statement indicating who is, and who is not, exposed to liability.

9. The preferable approach in our judgment would be to devote a single subsection to a delineation of the affected class, rather than squeezing the definition into multi-purpose subsections such as (a) and (b)(2). As to the proper dimensions of that class, we think that if anything the net may have been cast too widely in the draft statute and that consideration should be given to narrower definitions of the class. In addition, we note that if the affected class is defined to include all former government employees who may have had access to classified information, it will necessarily include at least some newspapermen, and therefore, assuming that publication is one of the forms of communication to which the bill applies, a direct albeit limited control will be placed on what information a newspaper can publish without a threat of prosecution.

(b)<sup>12</sup> *The type of information that would be restricted*

10. Under subsection (a) the restraint on communication would extend to all classified information, which is defined in subsection (b)(1) to mean:

... any information, (A) regardless of its origin, that is marked or designated pursuant to the provisions of a statute or an executive order, or a regulation or rule issued pursuant thereto, as information requiring protection against unauthorized disclosure for reasons of national security, or (B) that was furnished to the United States by a foreign government or international organization and was designated by such foreign government or international organization as requiring protection against unauthorized disclosure.

The essential effect of this language is to incorporate by reference Executive Order 11652, and the implementing National Security Council directive of 17 May 1972, governing the procedural and substantive aspects of classification, declassification, and downgrading of national security information. We doubt the wisdom of this approach. In the first place, E.O. 11652 and the implementing NSC directive are subject to amendment at the stroke of the President's pen, so that the adoption of subsection (b)(1) would leave the President free to fix and revise the standards of criminal liability as he might see fit, a prerogative that Congress would almost certainly not want to endorse even assuming that such a sweeping delegation of power would be constitutionally valid. In the second place, the importation into the bill of the executive classification system, in its entirety, would open up the possibility that genuinely sensitive information might go unprotected due to some procedural irregularity in the manner of its classification (classifying official not identified on the face of a document, etc.). And in the third place, it seems to us that the universe of classified information is quite simply too large, and encompasses such a great variety of material of so many different degrees of importance to the national security, as to make impractical the idea of extending criminal sanctions to the unauthorized disclosure of all such information.

11. Here again we would favor a narrower and more discriminating approach along the lines of the sources and methods legislation that CIA has previously supported and that was introduced as H.R. 12006 in the last Congress. We also believe that the standards against which information is to be measured to determine whether it falls into the restricted category should be spelled out in the bill rather than identified by reference to E.O. 11652 or any other existing executive branch directives. Additionally, under subsection (b)(1) as drafted, it is a point of special interest to CIA to know whether the Director's statutory duty to prevent the unauthorized disclosure of intelligence sources

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<sup>12</sup> There is no section labeled (a) in the original.



and methods, 50 U.S.C. §403(d)(3), would authorize him, independently of E.O. 11652, to designate certain information as restricted.

(c) *The kind of communications that would be restricted*

12. As already noted, the conduct declared unlawful by subsection (a) is the communication of restricted information by any person authorized to possess it to any person not authorized to receive it. Assuming the intent element of the offense is clarified, this strikes us as workable, although we believe that “communicates” should be a defined term and that the definition should include the acts of furnishing, transmitting, or otherwise making available [restricted information to an unauthorized person], as well as the act of publication.

(d) *The intent element*

13. Under subsection (a) an offense is committed if a person acts “knowingly.” However, it is unclear with reference to what fact or facts a person must have knowledge. Must he know that he is a member of the affected class, or that he is dealing with an unauthorized recipient, or that the character of the information is such as to bring it within the law’s definition of restricted data, or some combination or all of these facts. That matter requires clarification. Similarly, since it presumably is not the intention to make punishable an inadvertent act (as for example a communication with a person reasonably believed to be an authorized recipient), willfulness should probably be added as an element of the offense. In the same vein, consideration should be given to some sort of a general exclusion for communications made in the course of the performance of official duties, this to take care of the not uncommon situations in which high-ranking officials disclose classified information during news briefings, etc.

(e) *Review procedures*

14. Subsection (c)(1) provides:

(c) It shall not be an offense under this section:

(1) If at the time of the disclosure there did not exist a review through which the defendant could obtain review of the lawfulness of the classification of the information or material. Any failure to declassify information or material pursuant to such review shall be agency action adversely affecting the individual requesting the declassification.

As we understand this provision, it would require a showing, presumably to a judge as a preliminary pre-trial matter rather than to a jury as an element of the government’s proof at trial, that there existed at the time of the alleged unauthorized disclosure an administrative procedure through which the defendant could have sought and obtained review of the information involved to determine whether it



could be classified. It is our further understanding that this provision would create a judicial remedy under the Administrative Procedure Act, 5 U.S.C. §§701, *et seq.*, in the event a review requested and conducted pursuant to the required administrative procedure resulted in a refusal to declassify.

15. Subsection (c)(1) is obviously designed to enhance the appeal and acceptability of the draft statute, by providing safeguards against arbitrary classification decisions by executive branch officials. More than that, this subsection is woven into the fabric of the statute and, in conjunction with subsection (e), discussed below, it would play a major role in shaping the offense of unauthorized disclosure by eliminating, in circumstances where the defendant did not avail himself of the review procedure, any requirement of proof that the classification of the information was valid and justified.

16. In principle we have no objection to a two-tier system of administrative and judicial review. Indeed such a system exists today in connection with FOIA requests, more particularly those requests as to which the Agency considers or claims the exemption set forth in 5 U.S.C. §552(b)(1), which provides that the FOIA does not apply to matters that are “(A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified pursuant to such Executive order.” And in addition to the internal Agency and external judicial reviews that are available to an FOIA requester, in cases where the documents subject to the request are classified, there is an existing avenue of appeal to the Interagency Classification Review Committee, an entity established pursuant to Section 7 of E.O. 11652 to monitor the implementation of that Order.

17. While we are comfortable with the concept embodied in subsection (c)(1), we would like to know more about the characteristics of the administrative review procedure that it would require. For that matter, we think the required procedures should be described in some detail in the bill, both in order to enable agencies to determine whether their existing procedures satisfy the requirement and in order to head off potential arguments by defendants that the opportunity for review afforded them was not the sort of opportunity contemplated by the bill. There is also a point relating to the comparability of the standards of judicial review available under the APA on the one hand and the FOIA on the other that needs to be discussed.

(f) *Provisions limiting the proof necessary to establish the commission of an offense*

18. Subsection (e) provides:

(e) In any prosecution under this section where the defendant did not seek review of the lawfulness of the classification of the information

or material, it shall not be an element of the offense that the information or material was lawfully classified at the time of the disclosure.

This provision rules out the validity of classification as an element of the offense, in cases where the defendant did not pursue the administrative and judicial remedies mandated by subsection (c)(1). It is not clear whether, although the government need not establish the validity of classification in these circumstances, an accused could still defend on the grounds that the information in question was not properly classified. In our opinion that issue should be ruled out as a defense as well as an affirmative part of the government's case. Apart from that consideration, the provision seems to us to represent a promising approach to the problems of proof often associated with prosecutions involving the unauthorized disclosure of sensitive information.

(g) *Sanctions*

19. Subsection (a) provides that an offense would be punishable by a fine of not more than \$10,000 or imprisonment for not more than five years. These penalties are adequate and sufficiently flexible in our view, assuming the appropriateness of criminal sanctions.

(h) *Other*

20. Subsection (c)(3) provides:

(c) It shall not be an offense under this section:

(3) To disclose any information already in the public domain, but to disclose additional details or information confirming previously unconfirmed information, which details or information remain classified, continue to be an offense under this section.

We regard this provision as undesirable. Whether information is in some sense in the public domain, and how it came to be in the public domain (i.e., by official statements or otherwise), are questions that clearly have a bearing on the continuing validity of the classification of that information, and that being true those questions should certainly be open for consideration in the review process to which subsection (c)(1) refers. But those questions have no evident relevance at a trial in which the validity of classification is foreclosed as an issue, as is contemplated by subsection (e).

Anthony A. Lapham<sup>13</sup>

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<sup>13</sup> Printed from a copy that bears this typed signature.

**35. Memorandum for the Record<sup>1</sup>**

Washington, April 1, 1977

**SUBJECT**

Meeting of PRM–11, Task 2 Subcommittee of the Special Coordinating Committee (NSC/SCC), 1 April 1977

1. *General.* The Subcommittee met at the call of the DCI, to consider a preliminary issue paper prepared by the Working Group secretary.<sup>2</sup> Attendees are listed in the attachment.<sup>3</sup> The meeting ranged broadly, diffusely, and somewhat inconclusively over the best approach to take to task 2; the perspective represented by the paper on the table; relationship to task 3 (assigned to the NSC/SCC rather than this subcommittee); and the pros and cons of splitting the DCI and the Director CIA roles. The meeting concluded with a new charge to the secretary of the working group to continue with the basic task 2 report (not on the table at this meeting) but to revise the approach therein to reflect the results of the meeting.

2. *Approach to Task 2.*

The meeting opened with a statement by the DCI that there was a need to ensure PRM–11 efforts paralleled and supported Community responses to Senate Select Committee draft legislation. The secretary then noted the paper on the table was intended to solicit guidance for the conclusions portion of the task 2 report.

General discussion followed, led by State and Defense but with the general support of the DCI, on the need to begin the paper with a general discussion of the purposes of intelligence *per se*, followed by description of DCI responsibilities and powers. An analysis of the balance between responsibilities and powers would lead to specific issues, optional steps toward improvement, and discussion of the pros and cons of the options.

Defense noted that responsibilities and powers of SECDEF, as well as DCI, were pertinent. A DCI comment, that list of Community responsibilities was ipso facto coincident with DCI responsibilities as head

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<sup>1</sup> Source: Central Intelligence Agency, Community Management Staff, Job 79M00095A: Official Subject Files (1975–1977), Box 2, Folder 1: PRM–11, Vol. IV. Secret. Drafted on April 4.

<sup>2</sup> Presumably a reference to the paper entitled “Issues for Meeting of SCC Subcommittee on PRM–11, Task 2, 1 April.” A copy is in the Central Intelligence Agency, Office of the Deputy Director for Intelligence, Job 82M00587R: Policy Files, Box 7, PRM/NSC–11 (cont’d).

<sup>3</sup> Attached but not printed.

of the Community, was challenged by Defense on grounds that it begged the question of roles within the Community (and *how* they are to be accomplished) and on grounds that it failed to take account of statutory SECDEF responsibilities. State agreed that the Subcommittee had to define DCI powers, not assume them. D/DCI/IC asserted E.O. 11905 defined the roles clearly and could be the starting point for the paper. Defense rejoined that the E.O. was not universally admired, and that there are other pertinent documents including the National Security Act of 1947 and the Presidential memo of 1971,<sup>4</sup> to which some might prefer to revert. This issue was not resolved.

On the theme of diagnosing the status quo, as part of the approach to task 2, the meeting then digressed to discussion of how well the first year of E.O. 11905 worked vis-a-vis DCI budget control. Views were varied. D/DCI/IC thought it went well, although he needed more authority to get information earlier from program managers, and to direct development of options to be costed and evaluated. State said it worked only because INR's budget was not touched. Defense allowed that it worked because SECDEF chose to accept the CFI decisions. NSC was dubious about the effectiveness of the CFI process.

The meeting then reverted to the outline of the task 2 report, with the DCI directing the purposes-responsibilities-powers-issues-options approach. The secretary noted that this reversed the Subcommittee's last guidance to the working group to avoid "philosophy" in favor or "hitting the real issues".

This reference to philosophy led to a brief digression on the "national/tactical" issue, which concluded with D/DCI/IC recommending all read the ICS paper on the subject.<sup>5</sup> The DCI then commented that he hoped tasking of even national clandestine human sources for military purposes would not be ignored by the Subcommittee.

3. *Perspectives on the Draft Paper.* Defense introduced the question of the perspective on the issues embodied in the draft paper. The Defense point was that the paper assumed every-thing from the "national" perspective, and tended to ignore departmental and tactical responsiveness. The DCI agreed that the report must cover all Community responsibilities.

4. *Consideration of Substantive Options.* The DCI then asked the meeting to consider an actual issue: splitting the DCI and DCIA. General

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<sup>4</sup> A reference to President Richard Nixon's November 5, 1971, memorandum entitled "Organization and Management of the U.S. Foreign Intelligence Community." For the text, see Document 242 in *Foreign Relations*, 1969–1976, vol. II, Organization and Management of U.S. Foreign Policy, 1969–1972.

<sup>5</sup> Not further identified.

discussion revolved around the advantages/disadvantages of splitting, the sub-options contained in the split options, and elucidation of the possible consequences of various sub-options. It was clear from the discussion that CIA and ICS strongly believe splitting would be disastrous and is not really necessary. The DCI seemed to have an open mind on the subject. Defense saw pluses and minuses, depending on the details. Critical to the question will be determination of how much of a production and analysis capability the DCI should retain, and what to do with the rest of DDI, as well as DDO and DDS&T. Also critical to the question will be determination of the level of resource control to be held by the DCI, with the options being generally review and veto only, or full programming, budgeting and allocation. No decision was reached.

5. *Relationship to Task 3.* NSC then noted, in support of the secretary, that this consideration of options really was a responsibility of the full NSC/SCC under task three, not a responsibility of the subcommittee under task 2. After some discussion, the DCI concluded the meeting and resolved the issue by directing the secretary to address the pros and cons of options, particularly side-effects, but to avoid resolving the options.

**P.J. Doerr**

*Captain, U.S. Navy*

*Assistant Deputy Director*

*for Special Collection Projects*

### 36. Summary of Conclusions of a Special Coordination Committee Meeting<sup>1</sup>

Washington, April 14, 1977, 9:00–10:15 a.m.

#### SUBJECT

Consideration of Attorney General's PRM/NSC-11 Subcommittee report on "Foreign Intelligence Electronic Surveillance Legislation"

#### PARTICIPANTS

The Vice President  
Denis Clift

*State*  
Secretary Cyrus Vance  
Harold Saunders

*NSA*  
Benson K. Buffham  
Gerard Burke

*Justice*  
Attorney General Griffin Bell  
John Harmon  
Michael Kelly  
William Funk  
Frederick Baron

*Defense*  
Secretary Harold Brown  
Charles Duncan, Jr.  
Deanne Siemer  
Robert T. Andrews

*CIA*  
Stansfield Turner  
Anthony Lapham

*NSC*  
Dr. Zbigniew Brzezinski  
David Aaron  
Samuel Hoskinson  
Robert Rosenberg

#### SUMMARY OF CONCLUSIONS

Dr. Brzezinski opened the meeting with commendation for the subcommittee's efforts, noting that they concluded that the Administration should introduce legislation on this subject. Failure to do so promptly will result in unilateral and potentially counterproductive initiatives by members of Congress. Each of the seven issues and conclusions discussed follow:

1. Should the bill include authorization for physical search? It was agreed that physical searches should not be included in this bill but that this problem should be studied further as part of PRM/NSC-11.

2. Should the bill be expanded to cover electronic surveillance of U.S. persons overseas? The Subcommittee had recommended that it should not, but that Justice should work on separate overseas legislation, which might include judicial warrant procedures. The Attorney General, Secretaries of State and Defense and DCI all expressed concern

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 85, SCC011 Intelligence Structure and Mission, 4/14/77. Top Secret; Sensitive. The meeting took place in the Situation Room. The version of the subcommittee report under discussion was not found.

that the application of warrants to electronic surveillance operations abroad would severely complicate our problems in dealing with foreign intelligence services and result in exposure of liaison relationships or in denial of cooperation by foreign services who feared “leaks.” The Vice President disagreed on the basis that the Constitution follows Americans abroad and without this provision, the Administration will face serious credibility in Congress. *The group deferred a conclusion and remanded this issue back to the subcommittee for research on how liaison relationships might be protected prior to Monday 18 April.*

3. Should the bill include communications intelligence and, if so, in what way? The subcommittee had recommended that the bill authorize without a warrant NSA’s activities [*less than 1 line not declassified*] which are directed solely against foreign powers and non-U.S. persons. The Attorney General and the Vice President dissented, proposing that special one-year and limited judicial warrants be required. The Secretary of Defense and DCI supported the Subcommittee recommendation, noting that this effort is directed only against foreign powers, with minimization procedures approved by the Attorney General to protect incidental intercept of U.S. persons, and that to involve the judicial branch would either be cosmetic in nature, or would tie our hands so much that the sources would dry up waiting for approval. Secretary Vance questioned what warrants would really accomplish but was inclined to agree with the Attorney General and Vice President. *The group deferred a conclusion pending a further research by the Subcommittee due 18 April.*

4. Should an explicit reservation of Presidential powers be included in this bill? *The group unanimously agreed that no reference to Presidential powers should be within the bill.*

5. What should be the standards for targeting a U.S. person? *The subcommittee, with all principals except the Vice President concurring, concluded that a U.S. person should be able to be targeted if he engages in criminal activity related to clandestine intelligence, sabotage or terrorism or if he engages in non-criminal activity which clearly evidences activities on behalf of a foreign intelligence service which threaten the national security or our foreign relations.* While acceding to the majority, the Vice President asked the Attorney General to separately look at changes to the criminal law which would enable us to target U.S. persons without going beyond criminal standards.

6. Should the Executive Branch certification to the judge, when U.S. persons are targeted, that the information sought is properly foreign intelligence be subject to judicial scrutiny? *The subcommittee recommended and the principals unanimously concluded that the judge should be able to review the certification only to determine if it is clearly erroneous.*

7. What should be the standard for disclosure of sensitive information on judicial proceedings? *The subcommittee recommended and the*

*principals unanimously concluded judicial review should be limited to a finding as to whether certification was clearly erroneous.*

It was agreed that one last attempt would be made to resolve issues 2 and 3 prior to 18 April and subsequent review by the President.

**Zbigniew Brzezinski**

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### **37. Draft Paper Prepared by an Ad Hoc Interagency Group on Intelligence Structure and Mission<sup>1</sup>**

Washington, April 19, 1977

#### INTELLIGENCE STRUCTURE AND MISSION RESPONSE TO PART 2 OF PRM-11

Good intelligence is a prime requirement at every level of government concerned with national security, from the President and members of the National Security Council to the military field commander.

At the national level the purpose of the U.S. intelligence community is to produce high quality, relevant, and objective intelligence for the President, the NSC principals and, increasingly, for the Congress. These national needs range from information and analysis supporting the formulation of major policy decisions to providing strategic and tactical warning. Such intelligence is drawn from technologically advanced collection systems as well as traditional forms of collection.

Intelligence must also serve the particular needs of the various components of the Department of Defense, including the military services. At the Departmental level, intelligence is used in making decisions as to what weapons systems to develop and their necessary characteristics, as well as in force structure planning. At another level, intelligence provides essential information for crisis response and support for the planning and conduct of military operations including time urgent data on military force movement and activity. A greater degree of timeliness and specificity tends to distinguish DoD's needs from those of civilian agencies. The means and manner of collecting, processing, and producing such intelligence are as diverse as are the needs.

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<sup>1</sup> Source: Central Intelligence Agency, Office of the Director of Central Intelligence, Job 97M00248R: Policy Files, Office Level and Above, Box 1, Folder 13: PRM 11—Intelligence Structure & Mission (Folder 2). Secret. Brackets are in the original.



At issue is what organizational arrangements will most effectively serve the wide variety of intelligence needs of national, departmental and tactical users.

The division of responsibilities set forth in the 1947 National Security Act and National Security Council Directives of the late 1940's and 1950's was between the CIA,<sup>2</sup> which was to support the National Security Council, and the "departments and other agencies of the Government," which were to "continue to collect, evaluate, correlate, and disseminate departmental intelligence." The distinction was not between military and non-military but rather between that intelligence needed by the NSC and that needed by departmental and agency heads.

In the charge to the Director of Central Intelligence under the 1947 act to advise the NSC on "coordination of the intelligence activities of the several Government departments," President Truman sought to prevent repetition of the intelligence confusion and delays that occurred prior to Pearl Harbor. The problem addressed under the act was how to collect, collate, process, and especially disseminate intelligence reports and estimates that would best serve the national leadership—the President and the NSC.

Since 1947 intelligence collection has become far more technically sophisticated and complex. The old distinctions between national and departmental intelligence have blurred, but not disappeared.

Four issues concerning the modern intelligence community have been particularly controversial:

(1) How best to allocate resources in a way which supports all levels and types of intelligence users and does so in peace, crisis, and war;

(2) How best to control the targeting of intelligence collection assets in support of all users in peace, crisis, and war;

(3) How best to distribute line authority over the various intelligence elements;

(4) Whether and how to deal with the potential conflict which results from the DCI being the principal intelligence staff officer to the President and the NSC while at the same time (wearing his CIA hat) being one of the intelligence line officers of the government.

With respect to these issues, two differing viewpoints have characterized the debate over the years. One viewpoint emphasizes a centralized intelligence structure and the resource allocation process as a DCI responsibility. A second emphasizes the interaction and overlap among

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<sup>2</sup> For the NSC Intelligence Directives (NSCIDs) of this time period, see *Foreign Relations*, 1945–1950, *Emergence of the Intelligence Establishment*, and *Foreign Relations*, 1950–1955, *The Intelligence Community*, 1950–1955.

national, departmental and tactical needs in both the tasking and resource allocation process and would decentralize responsibility to recognize this. The first stresses resource rationalization and economy; the second stresses responsiveness to user needs.

### *Resource Allocation*

The rapid growth of sophisticated Soviet weapons systems and communications technology, coupled with the advent of advanced U.S. collection systems over the last 15 years, has driven up the total cost of operating the government's intelligence programs. Since 1971, there has been pressure both within the Executive Branch and from Congress to impose constraints on the total funds spent on intelligence and to ensure that there is no wasteful duplication of effort.

The November 1971 Presidential Memorandum,<sup>3</sup> which followed the OMB "Schlesinger Study,"<sup>4</sup> directed the DCI to play a larger role in recommending "the appropriate allocation of resources to be devoted to intelligence" including tactical intelligence. It further directed the DCI to prepare a consolidated intelligence program budget including tactical intelligence. Finally the President directed the DCI to turn over to his Deputy as much day-to-day control over CIA as legally possible.

Over the succeeding several years, the DCIs played a greater or lesser role in the resource allocation process depending on their own proclivities and their interaction with the Secretary of Defense. However, for a variety of reasons, largely related to recognition of the integral role of tactical assets in the conduct of military operations, the DCIs never made a significant resource allocation impact on the tactical assets of military commanders.

E.O. 11905, issued in February 1976, removed tactical intelligence from the National Foreign Intelligence Program and specifically stated that neither the DCI nor the Committee on Foreign Intelligence (CFI)—now Policy Review Committee (Intelligence)—should have responsibility for tactical intelligence, although the CFI was to "provide guidance on the relationship between tactical and national intelligence."

The CFI was empowered by E.O. 11905 to "control" budget preparation and resource allocation for the National Foreign Intelligence Program and to review and amend the NFIP budget. The DCI was made chairman of the CFI but no guidance was provided in the event that a majority of the CFI disagreed with the view of the DCI. In addition, some confusion was created within the Executive Branch and in Congress since the Secretary of Defense is by law responsible for

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<sup>3</sup> See footnote 4, Document 35.

<sup>4</sup> See footnote 4, Document 28.

the DoD budget while E.O. 11905 states that the CFI shall “control” and “amend” elements of the DoD budget.

[At present, resources for those elements of the National Foreign Intelligence Program which are under the direction of the Secretary of Defense are subject to the same planning, programming and budget processes as all other DoD programs, except that they are also subject to the CFI review. The Services, Defense agencies, and Program Managers are given program guidance early in the calendar year by the Secretary of Defense for the next fiscal year and, since E.O. 11905, from the DCI as well. During May each year, the Services, Defense agencies and Program Managers send their Program Objectives to the Secretary of Defense for review. In July, the Policy Review Committee (Intelligence) reviews the proposed NFIP Programs and approves or amends them as required. The PRC (Intell) decisions are then reflected in the Program Decision Memoranda issued by the Secretary of Defense.

In the September–October time frame each year, the DoD Comptroller holds budget hearings on DoD programs including intelligence. OMB and the ICS participate in those budget hearings. In November, the Secretary of Defense issues Program Budget Decisions which reflect PRC (I) decisions. The final DoD budget submitted to the President incorporates these decisions, or they become issues for Presidential resolution. As the budget year progresses, reprogrammings from or to intelligence programs must be reviewed by the Policy Review Committee before going through the normal DoD process.

Other elements of the National Foreign Intelligence Program are subject to the PRC July program and November budget reviews] (*this section is, in Mr. McGifferts' view, dispensable. But it is Dr. Brown's decision since he proposed it*)

### *Tasking*

Operational tasking at present reflects the traditional primacy of the DCI in this area. The DCI controls CIA clandestine services and the principal interagency committees which prioritize SIGINT and imagery tasking report to the DCI.

Tasking has been complicated because intelligence collection systems have grown increasingly capable of serving the broad interests of the policy makers and defense planners, the more specific technical interests of weapons developers and the combat intelligence needs of field commanders. Communications intelligence provides political and economic data, as well as information on military capabilities and operations. Agents are asked to collect information on Soviet weapon technology, political intentions, grain harvests, etc. Satellites produce pictures which are critical both to the SALT policy maker and the Army Commander on the East German border.

One issue is how to provide the tactical commander in the field not only the appropriate product from nationally controlled intelligence assets, but how to permit that commander to task those assets which can be directly responsive to his needs. There is also an issue in the opposite sense, mainly of ensuring that the appropriate product of "tactical" intelligence collection is made available to national policy makers. A third issue is whether there is a need to establish a central mechanism to prioritize the tasking of national systems. Proper resolution of these issues must take into account the need for a rapid, effective transition from peace, to crisis, to war.

#### *Line Authority*

There appears to be general agreement that systems and organizations which are substantially tactical in nature should remain under DoD control, although there is a significant grey area in defining what is "tactical." The principal questions relate to operational control of national intelligence collection systems. One issue is, what line authority arrangements best facilitate transition from peace to crisis to war? The interface between national intelligence collection systems and the non-NFIP military facilities essential to support them such as missile ranges, shipyards, base operations also has implications for the distribution of line authority.

#### *Alternatives*

In national systems, one key question with respect to resource allocation, operational tasking and line authority is the proper balance between (a) centralization of control in the DCI and (b) DoD dedicated resources designed principally for support of military operations such as aircraft, submarines, satellite boosters, and the like. Another way of looking at the same balance is to ask how to task the multiplicity of collection systems (that, given the diversity of targets, will exist in any event) so as to be as responsive as possible to the needs of all consumers consistent with an acceptable overall cost.

A second key question relates to the wisdom of mixing management responsibility (e.g., resource allocation or line authority over collection organizations and assets) with responsibility for analysis, evaluation, and the setting and prioritization of requirements.

Alternative forms of resource management, operational tasking, and line authority, which can be considered for national systems are:

#### *Resource Management:*

Subject to appeal to the President acting with the advice of the NSC —

R1. Decisions could be negotiated collegially, with neither the DCI nor the Secretary of Defense having final decision authority in the

absence of negotiated agreement. This is approximately today's situation.

R2. Either the DCI or R3 the Secretary of Defense could have the final authority either independently of, or after recourse to, a collegial forum. This raises questions of operational control since if (for example) DCI had resource allocation authority, the people and hardware (e.g., submarines) presumably should belong to him. The governing statutes and E.O. 11905 would require substantial modification.

R4. The DCI could have the power (either with or without a collegial forum) to veto, but not to add, with respect to the NFIP elements in the budgets of a Department as determined from time to time by the Department. This would strengthen the DCI's control of upward pressures on Departmental intelligence budgets while leaving the Departments some downside flexibility. E.O. 11905 would need to be modestly modified, but not the governing statutes.

The foregoing choices relate to peacetime operations. In wartime the choices might be different but that question need not be addressed since it does not appear critical to the effectiveness of rapid transition to a wartime footing.

#### *Operational Tasking*

O1. Continue present arrangements, based on separate collegial mechanisms, under which the DCI has final tasking authority during peace, crisis, and war. Under this system military commanders must go through these DCI mechanisms to task national systems not only in peacetime, but in time of crisis or war as well.

O2. Continue collegial mechanism, but shift from DCI final tasking authority in peace to SECDEF in war and crisis.

O3. Establish under the DCI a single centralized non-collegial mechanism for tasking.

O4. Same as 3, but shift final tasking authority to SECDEF in war and crisis.

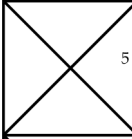
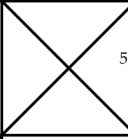
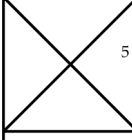
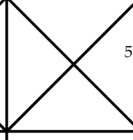
#### *Line Authority*

L1. Retain existing distribution of line authority over national systems.

L2. Shift line authority over NSA [*less than 1 line not declassified*] to the DCI.

L3. Separate the DCI from operational control of all national collection assets.

The following matrix represents all possible combinations of the *resource management* and *line authority* alternatives which have been discussed. An "X" connotes an alternative which is infeasible or illogical.

		LINE AUTHORITY		
		L <sub>1</sub>	L <sub>2</sub>	L <sub>3</sub>
RESOURCE MANAGEMENT	R <sub>1</sub>			
	R <sub>2</sub>	 5		 5
	R <sub>3</sub>	 5	 5	
	R <sub>4</sub>			

In fact, the matrix is three dimensional. *Operational tasking* alternatives are, for all practical purposes, independent of decisions made with respect to the other two. In any event, the four tasking alternatives (O1–O4) discussed earlier apply equally to each element in the matrix.

From these options one can construct a variety of interrelationships, requiring either minimal or major change to existing statutes and Executive Branch directives. Considerations of effective span of control, duplication of existing management and budget systems, and optimum functioning of the structure in peace, crisis and war impact on choosing the best mix in assigning responsibilities. The resulting structure must support the DCI in his primary role as the principal intelligence advisor to the President and must support the Secretary of Defense in the conduct of his responsibilities under the National Command Authority.

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<sup>5</sup> If either the DCI or the SECDEF is to have final *resource* authority over all national collection assets, it would be inconsistent to have some or all of them under the *line* authority of the other. [Footnote is in the original.]

**38. Memorandum From the Deputy Director of Central Intelligence (Knoche) to Director of Central Intelligence Turner<sup>1</sup>**

Washington, April 22, 1977

**CIA VIEWS ON THE FUTURE MANAGEMENT OF  
THE INTELLIGENCE COMMUNITY**

It seems evident to us that your role as DCI and the way in which the Intelligence Community is managed are going to be altered, to some extent, either by legislation or Executive Order. In the debate over past problems and the discussion of new “guiding” principles that are being advocated by the diverse interest groups involved in this process, there is a real danger that too much attention may be diverted from the basic issue. As one of the involved organizational interest groups that will be, perhaps, dramatically affected by organizational changes, and because we were here and were a part of the process that has shaped the DCI’s role, we wanted to present the problems and issues as we understand them. We have not examined all possible options, nor do we intend this paper to be considered as an alternative to the PRM–11 study. Our insights and analysis are based upon our collective experience modified and sharpened by the clarity hindsight always provides.

*Summary*

In any discussion of the future management of the Intelligence Community, the role of the DCI emerges as the central issue. Does his authority allow him to carry out his job as the head of the Intelligence Community in general and of the CIA in particular? In our paper we have tried to define the DCI’s responsibilities and to balance them against his enabling authorities. We found that there is a serious imbalance in the DCI’s ability to manage the resources of the major components of the National Foreign Intelligence Program. While the DCI’s responsibilities are clear, it is just as apparent that he cannot be expected to improve significantly the intelligence product by matching resources

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<sup>1</sup> Source: Central Intelligence Agency, Office of the Director of Central Intelligence, Job 97M00248R: Policy Files, Office Level and Above, Box 1, Folder 13: PRM 11—Intelligence Structure & Mission (Folder 2). Secret. Knoche did not initial the memorandum. In a cover note dated April 22, Knoche wrote “DCI a week or 10 days ago, we agreed I would assemble some CIA views concerning PRM II and organizational intelligence matters. This paper is the result of a collective look at some issues and alternatives. It is no single person’s view but it represents an institutional, agency view. I have sent a copy to Dan Murphy. When you’ve read it over, you may want to meet with the collective CIA group that put it together. H. Knoche.”

against national intelligence requirements unless he has line command as well as budgetary authority over CCP, NRP and CIAP. Nor can he ensure that intelligence activities of the Community are compatible with the Constitution and Presidential policy guidance without real authority over the Community. The process of logic, the experience of the past several years, the evolutionary trend toward centralization in the Community, and the demands of a changing world for improved and more responsive intelligence production capability have led us to this conclusion.

### *Basic Options and Recommendations*

In the planning for the reorganization of the Intelligence Community there is only one non-negotiable principle. The United States must continue to have at least as effective an intelligence capability as it has now. In our view there are two basic motivations which should underlie proposals for basic change in the Intelligence Community—a desire to improve the quality of the intelligence product and to provide more efficient management. We and the Senate Select Committee place more weight on the former; OMB and the House Appropriations Committee will probably focus on the latter; the President wants and the country deserves both. For us, at least, the key question is: How do we get better intelligence? Under any reorganization, the head of U.S. Intelligence can only carry out his responsibility to protect and enhance the national security if he is given sufficient and appropriate authority. He must be effectively supported by an all-source production unit, an overseas oriented clandestine collection capability with viable cover, innovative technical collection capabilities in the SIGINT and reconnaissance areas, and such other support units as may be required.

With PRM 11, the question of whether to give to the DCI somewhat more authority, a lot more authority, or perhaps to abandon the effort to weld the various intelligence components into an effective community is once again the subject of heated debate. In the last analysis, there are only three fundamental options, though there are many detailed variations on these themes, and all focus on the central issue in the current debate, your responsibilities and authorities.

*Should the DCI's responsibilities be reduced* to those he can handle under his present authorities? This option would presumably be based on a frank assessment that there is really no way to give the DCI an effective role in the management of the Intelligence Community, save that which he now has in the production world by virtue of the 1947 Act, and thus that the sensible approach would be to return to the basic arrangements which applied before the creation of a serious effort to give the DCI budgetary control within the Intelligence Community. It would however be a step backwards for those who regard effective central management of American intelligence as important. Pursuing this approach would be an admission that the Executive Branch cannot



solve what many in the Community and in the Congress consider an important management problem. We would in fact be acknowledging that only the Congress can cope with the managerial and budgetary issues which arise between components within the Intelligence Community.

What would happen if the DCI's *statutory authority over the Intelligence Community budget* or some significant part of it was increased? Giving to the DCI real budgetary authority (in contrast to what is now essentially a staff role with respect to preparation of the Intelligence Community budget for the President) would greatly increase his leverage and hence his ability to shape the Intelligence Community. There is, however, a basic problem: Giving the DCI statutory responsibility over budgetary matters outside CIA without also giving him line management authority would mean that the Director of NSA, the Director of the NRO, and possibly the directors of certain other components of the Community (perhaps including CIA) would have two bosses: one to whom they responded on general management and policy issues, and one to whom they responded on issues having to do with the budget. Such an arrangement would be awkward, to say the least—both for program managers and for the DCI of the future.

Would an increase in the DCI's statutory budgetary authority and his *line management* authority over major parts of the Intelligence Community be a wise choice? This is the classical solution for every similar management problem: Make one man responsible for the management of the whole enterprise and hold him accountable for doing a good job. From the DCI's perspective, the most important parts of the Intelligence Community not under his operational control are the Consolidated Cryptologic Program (CCP) and the National Reconnaissance Program (NRP). Removing the CCP and the NRP from the Department of Defense may not be politically feasible. It is, however, workable if approached with a spirit of trust, cooperation, and institutional responsiveness to military requirements, and it could provide unified command over all national intelligence activities and ensure increased efficiency and coordination of national intelligence programs.

We believe it is line management authority over important elements of the Intelligence Community which the DCI needs to do the job which many expect him to do. But let us take you through the reasoning that led us in CIA to recommend this choice instead of a more evolutionary approach.

#### *The DCI and How He Got There*

CIA was established by the National Security Act of 1947. For approximately the first 20 years of its existence the DCI functioned effectively as the head of the CIA. Few within the Executive Branch or in the Congress paid much serious attention to the Intelligence

Community *as a community* or to the DCI as head of that Community. CIA existed in some isolation, certainly in comparison with today, from its partners in the intelligence process and tended to see itself as an elite organization somewhat aloof from others in the Community. At the same time, until relatively recently, CIA functioned in a highly decentralized way with real operating authority largely delegated to the four line Deputy Directors and with DCIs who selected those issues of interest to them and pursued them inside and outside the Agency but who generally did not consider themselves as managers of the whole of CIA.

Both of these characteristics of CIA during this period flourished because the President, the Congress, and the public had relatively low levels of interest in CIA and because the Agency's goals and methods, to the extent they were understood, enjoyed wide public and Government support.

During the late 1960s and early 1970s a number of developments began to call into question these relatively well established patterns. Growing public disaffection over the U.S. Government role in Southeast Asia and the Agency's prominent part in it promised eventually to create an atmosphere of massive public mistrust of Governmental decisions made in secret and to call into question much that CIA did. Watergate clearly contributed to public perceptions about the need for secrecy in Government and raised troubling questions for many components of the Intelligence Community who were sometimes accused of operating secretly only to conceal embarrassing mistakes. In that explosive atmosphere a *New York Times* story on alleged abuses by CIA during the 1960s generated a very vigorous move by both houses of the Congress to examine in great detail what had previously been largely ignored or accepted in many cases (though not always) as normal and acceptable.<sup>2</sup>

In retrospect, another important development occurred during this period and continues to affect us very much today: the 1971 study of the Intelligence Community carried out at OMB by Jim Schlesinger,<sup>3</sup> later to become DCI. Broadly, the study asserted that the Director should be an effective head of the whole Intelligence Community and argued that the lack of leadership within the Community had produced a serious management problem which needed attention. Dr. Schlesinger observed that the lack of leadership over the whole Community and

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<sup>2</sup> Reference to Seymour Hersh's December 22, 1974, article, "Huge C.I.A. Operation Reported in U.S. Against Antiwar Forces, Other Dissidents in Nixon Years," *New York Times*, p. 1. See also *Foreign Relations, 1969-1976*, vol. XXXVIII, Part 2, Organization and Management of U.S. Foreign Policy; Public Diplomacy, 1973-1976.

<sup>3</sup> See footnote 4, Document 28.

the relative insularity of the various components of the Community led to duplication of effort and waste, and lowered the quality of the product. Dr. Schlesinger recommended the creation of the Intelligence Community Staff and broader involvement of the DCI in the Community resource review function.

Public attitudes arising from the U.S. Government's conduct of the Vietnam War, the Watergate situation, critical internal Executive Branch looks at Intelligence Community management, and the investigations by Congress—far from assuring the public and the nation's leadership that intelligence was effectively managed and under adequate oversight review—have so far led instead to continuing examination of the problem. Today it seems clear that the Executive Order issued by President Ford last year,<sup>4</sup> a serious effort to establish workable mechanisms to cope with many of the problems identified in recent years, was only an interim step in the further definition and solution of a larger problem.

Working within the existing framework of legal authorities which give the Department of Defense legal responsibility for the conduct of some 80 percent of the Intelligence Community program (in budget terms) and the Director of Central Intelligence direct authority for only 20 percent of the program, Executive Order 11905 further codified the broad consensus which has emerged in recent years that someone should be in charge of the Intelligence Community, and that "that" someone was the DCI. On the other hand, because existing authorities did not permit giving legal authority for all aspects of the Community to the DCI, the framers of the Executive Order adopted a collegial management arrangement in which the Director would attempt to control the budget process as a first among equals, and the White House itself would assume some responsibility for the control of possible impropriety through the establishment of an Intelligence Oversight Board.

In assigning more and more responsibility to the DCI for Community management, however, both the Schlesinger report and the Executive Order made it more and more difficult for the DCI to function as the head of CIA. The Executive Order implicitly recognized this when it stated that the Deputy Director of Central Intelligence should be responsible for the day-to-day management of CIA.

Pushed towards responsibility for the whole Community, but lacking the legal authority to assume that responsibility and very mindful of strong Presidential and Congressional desires that they assume leadership, Directors have taken advantage of such mechanisms as are

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<sup>4</sup> Reference to E.O. 11905, issued on February 18, 1976.

available to them to lead without a clear basis in statutory authority for doing so. This has caused difficulty within CIA, where there is a widely-held perception that recent DCIs have bent over backwards to cooperate with other elements of the Intelligence Community, sometimes at the expense of CIA, in order to preserve their ability to carry out their Community leadership role. Within existing legal authorities, it is easy to see why this perception would exist. Many are aware that the fabric which knits together the Intelligence Community is extremely frail, that it depends heavily on personal not institutional arrangements and authorities, and that serious problems which pit one component of the Community against another must be avoided at any reasonable cost in order to preserve the fabric of the Community and the DCI's ability to function as its leader.

There is another problem which was caused by the collegial arrangements created by the Executive Order. As the CFI (now the PRC) has evolved, it is increasingly clear to many members of the Intelligence Community that individual components need to take steps to help insure that the PRC principals are adequately informed in detail on the issues presented. This has produced pressures on individual Community components, like CIA, to inform a wider audience than ever before of the need for decisions on programs which go to the PRC for approval and—in effect—to be as responsive as possible to demands for information in order to assure that the “right” decisions are made. Because it has been physically difficult to get busy PRC principals together for meetings—and because the more widely based the decision-making process becomes, the more necessary time-consuming prior coordination and information sharing becomes—there has been in the minds of many within CIA a general degradation of the quality, crispness, and security of the decision-making process.

Similarly, increasing outside demands for information about the Intelligence Community and CIA have created internal pressures for centralization of certain kinds of decision making, certainly in the Community as a whole, but also within CIA. As people outside the Community ask increasingly informed and penetrating questions about individual programs which relate or appear to relate to other parts of the Intelligence Community, there is an increasing need for centralization of decision making to insure that the Community has properly coordinated itself before it is subject to such probing. Similarly, within CIA historic decentralized patterns of management have been changing rapidly to accommodate to these outside pressures. [4 lines not declassified] Thus, searching outside questioning is forcing centralized consideration of many problems. In the not too distant past, this was only rarely required and hence all too often not pursued.

While the Executive Branch and the Congress were in effect telling the Director to assume more and more responsibility within the Com-

munity but failing to give him the necessary authority to do so, Congressional interest, growing out of the investigations, in control and oversight has been working simultaneously to enhance accountability not only over CIA but over other parts of the Community as well. As this process has broadened and deepened, however, CIA has perceived its past flexibility—the very thing which made it different and better in the eyes of its own employees—as diminished.

In recognizing that the DCI was becoming more and more a Community creature and less and less a Director of CIA, the Executive Order wisely noted that the Deputy Director should assume the CIA leadership role. However, the DDCI is the only “program manager” within the Intelligence Community who works directly for the DCI. Because of this unique relationship, it is awkward for him to push aggressively for the interests of CIA during a jurisdictional or resource allocation dispute with another “program manager.” The DDCI, therefore, is different from other managers who can exercise lesser restraint and who have another appeal route through their line command organizations. The problem becomes particularly acute when the DDCI is aware that in pushing his own Agency’s interests he may put the Director in a position which threatens the frail arrangements he has for coordination in the entire Community. This problem is but a symptom of the larger management problem referred to, namely, the Director’s lack of authority over the entire Community to cope with the responsibilities which others expect him to carry out.

In sum then, for a variety of reasons, as many have demanded that the DCI assume a larger Community role, the arrangements under which he has been forced to do so have made it increasingly difficult for CIA. This should not be construed as an argument for a return to the halcyon days of the 1960s. It seems clear enough that the demands for leadership of the Community require attention instead to a firmer articulation in law of the Director’s responsibilities *and authorities* for the whole Community or a substantial part of it.

#### *The DCI—Powers and Responsibilities*

DCI responsibilities within the Community now appear to fall into two categories; those for which he has adequate real authority accepted by most in the Intelligence Community and those for which he does not. Basically, we believe the DCI has adequate authority or status to fulfill the following responsibilities:

- Advisor to the President and the NSC;
- Collation and production of national level intelligence for civilian and military needs;
- Covert action;
- Control of intelligence related liaison with foreign governments, and protection of sources and methods, (within CIA, though probably not in the Community as a whole).

At the present time we believe the DCI lacks the necessary authority to carry out these responsibilities well:

- Management of intelligence community resources;
- Warning and crisis reporting;
- Coordination of counterintelligence activities;
- Representation of the Intelligence Community before Congress;
- Coordination of Community collection resources;
- Requirements and collection guidance direction for the Community;
- Evaluation of the effectiveness of national intelligence programs and ensuring that intelligence activities are compatible with our democratic system and policy objectives.

The nation and the Intelligence Community have lived with this situation for some time now and may be able to make do for some years while we wait for the evolutionary process to centralize the necessary enabling authority in the Office of the Director. Four separate but interrelated forces, however, appear to be working against the evolutionary process as a solution.

The pace of centralization in the Intelligence Community is being encouraged by advancing technology involving more complex opposing weapons systems, nuclear proliferation, near real time collection systems, and the increasing need for centralized integrated data processing techniques that are necessary to enhance our warning and crisis reporting. The growth of the Director's Community role is being accelerated by the desire of both Congress and the President to achieve Government efficiency through streamlining and reorganization, as well as post-Watergate legislative efforts to make the Intelligence Community more accountable to Congress and our democratic system. Finally, the diminishing availability of real dollars for intelligence purposes also argues persuasively for centralized management in order to ensure the most effective use of resources to meet the intelligence requirements of the consumer.

#### *The DCI as the Intelligence Resources and Production Czar*

There are basic variations in the organizational structure that would strengthen the DCI's role as the head of the Intelligence Community. The DCI, as the SSCI Bill suggests,<sup>5</sup> could be given budgetary authority over all the Intelligence Community or major parts of it. This would

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<sup>5</sup> Not found. The Senate Select Committee on Intelligence drafted a "National Intelligence Act of 1977." A synopsis of the bill is in a paper entitled "Congressional and Executive Review of Major Foreign Intelligence Activities," which is an attachment to Vice President Mondale and DCI Turner's memorandum to the President dated April 14. (Central Intelligence Agency, Office of the Director of Central Intelligence, Job 97M00248R: Policy Files, Office Level and Above, Box 1, Folder 13: PRM 11—Intelligence Structure & Mission (Folder 2)) See also Document 39.

mean that all funds would be allocated to the DCI for disbursement to the separate components of the Intelligence Community. The DCI would then have a strong resource tool that he could use to exert influence over the Intelligence Community. But what would the Community look like and, if this approach were pursued, in particular, what would happen to the DCI's position as the head of the Community?

To enhance his role as the President's Intelligence Resources Czar and principal foreign intelligence advisor, the DCI probably should move his office to a central location physically near the President. His status in the Community would be increased by proximity to the President and the move would further demonstrate that the role of the DCI was, in fact, changed. To assure others in the Community and elsewhere of his objectivity, it would also be necessary to separate the DCI from his line control over the CIA. Physically and logistically detached from CIA, however, the DCI would need either to take part of CIA with him or to create a new staff to assist him in carrying out his dual role as the President's principal intelligence advisor and the Exchequer of the Intelligence Community. The latter function could be handled by the existing IC Staff organization though it would probably be reorganized somewhat to deal with its responsibilities in a new context. The more detailed the use of his budgetary authority, the larger the DCI's staff would have to be.

The staff he uses to support him in his role as the President's intelligence advisor would also be dependent upon the depth of his attention to the production process. The DCI may elect to use a small staff like that of the National Intelligence Officers to oversee the production of the important process of national intelligence and to provide substantive support for his Presidential advisory role. Alternatively, he could co-opt the entire Directorate of Intelligence and exercise direct control over the production mechanism, probably blending the NIOs into the DDI or vice versa to create an integrated national production unit. The DDI could report directly to the DCI but should probably continue to be physically housed at CIA Headquarters. Thus, under this arrangement, the DCI and the IC Staff would be located downtown while the DDI would remain in the CIA headquarters building. The DCI would exercise line control over the IC Staff and the DDI. CIA would be reconstituted as a new organization containing what is now the DDO, the DDS&T, and the DDA and would continue to report to the NSC for policy control and guidance. Similarly, the NRP and the CCP program managers would continue to report to the Secretary of Defense on all but resource matters.

The DCI would now have the organization and the statutory authority to advise the President and to control the financial resources of the Community. He still, however, faces some formidable problems.



While he exercises budget and fiscal control over the Community, he has line control only over the intelligence production component. The “collectors” report to different masters for command direction. Lack of line control over the major collectors would seem to limit the DCI’s ability to make the collection mechanism more responsive to his national intelligence requirements and, in the last analysis, to focus the collection effort in support of the production process.

Our experience with the budgetary influence the DCI was able to exert over the Intelligence Community through the mechanism of the PRC has indicated that the purse string can be used effectively generally to influence or to coordinate national programs over a two or three-year period of time. By itself, however, the budgetary process is not sufficient to carry out all the basic responsibilities that we have listed above. For years, although OMB has had budgetary control over Government departments and agencies, it has not been able to use this power to exert the kind of direction over them OMB believes is desirable. The budgetary process can be used much more effectively negatively than it can positively. With this power you can exercise a slow veto over programs you wish to terminate but it is difficult to exercise bold initiatives or to explore new and imaginative programs solely through the control of funds in a long budget cycle. Instead a DCI needs to have the major collection systems immediately responsive to the requirements of his production organization. Over time it has become clear that some of these systems, particularly those in NSA, are in real life somewhat less than responsive to his requirements and that all of them can only be brought to respond through cumbersome, sometimes bewildering, and time-consuming collegial procedures. Moreover, the lack of central authority has meant that the case for the development of certain collection capabilities clearly needed to solve important analytic problems has not been effectively made either to Congress or to the OMB. [*less than 1 line not declassified*] is a particular case in point.

In summary, the DCI as Resources and Production Czar, measured against the yardstick of responsibilities vs. authorities, has significant problems. He does not have command authority over covert action programs, community collection resources and intelligence-related liaison with foreign governments. Thus, his ability to represent the Intelligence Community before Congress, to make collection systems more responsive to the national intelligence production process with the ultimate aim of improving the final product, and to ensure that intelligence activities are compatible with policy guidelines and our democratic system, appears to be handicapped. In fact, the DCI, even with vastly increased budget and fiscal authority, still cannot balance his responsibilities with enabling authorities. Separating the DCI from CIA,



his sole power base, without giving him broader command powers could result in less coordination of collection activities and a larger gap between collection and production with a resulting diminution of our national intelligence product.

*The DCI and A Fine Tuning Option*

Before going on to an option that gives the DCI both line and budgetary command over the Intelligence Community, let us examine what could be done to change the status quo enough to improve the national intelligence product and to meet the desires of the President and the Congress. Some have suggested that the DCI could maintain control over CIA and use somewhat increased budgetary authority to manage the Intelligence Community. Depending upon the extent to which his present budgetary powers are increased, this option, from an internal CIA view, could be called "fine tuning." For example, the DCI could be given the budget preparation powers he now must exercise in a collegial context within the PRC. He could, under this arrangement prepare the entire budget of the Intelligence Community for submission to OMB and exercise reprogramming powers without the need for concurrence from State or DOD. This is a significant step short of the management responsibilities under the Czar option, as the DCI would not be responsible for administering the budget after Congress had acted to appropriate funds except in the area of reprogramming. This option increases the DCI's ability to use the budget tool to manage the Intelligence Community but falls short of enabling him to provide imaginative leadership over the Community, for the budget tool is too cumbersome a mechanism to use to stimulate the Community to develop imaginative and resourceful approaches to meet future demands for an improved intelligence product.

If we increase the DCI's budgetary authority, as stated in the SSCI Bill, we significantly increase his authority over the Intelligence Community, as he is now responsible for disbursing the funds allocated to him throughout the Community. Giving this power to a DCI who has also maintained his control over CIA goes far beyond what could be titled a "fine tuning" option. Moreover, it is doubtful that the rest of the Intelligence Community, irrespective of the extent of his budgetary authority, would readily accept a DCI as the head of the Community who had not separated himself from CIA.

Under this option the DCI would control the production of national intelligence and maintain his command over CIA and the Community's clandestine collection and covert action capability. He still would have difficulty, however, in representing the Intelligence Community before Congress and in directing the collection resources of the NRO and NSA. While his direct influence over the Intelligence Community would

not be improved to the point that he is capable of meeting all his responsibilities, he would not lose the ground he would lose in the Czar option essentially because he could retain his direct control over CIA. Improvement in the responsiveness of collection agencies to the requirement of the national intelligence process, provision of an effective oversight authority for the Community, and an increase in efficiency from a more centralized management authority would have to await for a further development of the evolution process.

*The DCI with Line and Budgetary Authority over National Programs*

The Czar and "fine tuning" roles for the DCI outlined above, both in varying degrees, meet two tests of the DCI's requirement for sufficient authority to manage the Intelligence Community efficiently, and thereby improving the intelligence product. First, he would directly control the production and analysis of national intelligence. Secondly, he would have the budgetary authority that is an essential part of any management system. Neither of these two roles, however, give him the ability to integrate the collection and production elements of the Intelligence Community. It is difficult to see how the intelligence product can be significantly improved without the ability to orchestrate collection systems and production components. Budgetary powers are inherently not sufficient to direct the CCP and NRP. Reliance upon the DCI's personal relationship with national program managers as a management device when critical issues are at stake is not likely to prove any more effective in the future than it has in the past. Following this chain of reasoning leads to the conclusion that the DCI should have as much authority over the other two major national programs as he does over CIA.

If we emphasize the DCI's role as the President's substantive intelligence advisor, that in turn requires that the DCI have an independent intelligence production capability under his control, and the time to shape its output to meet presidential and other national requirements. Such a DCI cannot spend the bulk of his time either on management and resource problems or on fighting fires stirred up by the Congress, the press, and the Department of Justice.

A DCI with a relatively small staff could have under him three statutorily established separate agencies. Their directors would report to him and their budgets would be allocated to him. But under authority delegated by the DCI their directors would be responsible for the management and administration of their agencies. The Directorate for Intelligence would remain within the CIA for purposes of management and administration, but the Deputy Director for Intelligence would report directly to the DCI on substantive matters. Undoubtedly this arrangement would create some management difficulties for the new

Director of CIA. Given line and budget control over CIA, CCP and the NRP, which use 80 percent of the dollars and 75 percent of the manpower, the DCI would be able to balance his ledger of responsibilities and authorities. The foreign intelligence units of the Community represented by State/INR, DIA, intelligence arms of the uniformed services, ERDA, FBI and Treasury fulfill important departmental needs. But their programs are small and little, if any, increases in either efficiency or monetary savings could be expected to accrue from centralized management. Thus we would not include these programs within the DCI's direct purview. In addition to the expected benefits to be gained from a unified command structure, DCI line and budgetary control over the national intelligence programs would meet the major concerns of the Congress and accomplish a balanced authority for the centralization and the accountability of the Intelligence Community without destroying the opportunity for dissent from departmental units.

Such a solution would create a DCI not overly burdened with management. He would have capabilities for intelligence production under his direct control and the authorities necessary to ensure that collection served those capabilities properly. It would preserve the integrity of CIA and the obvious benefits that flow therefrom. And, because in this first stage the NRP and CCP would remain separate, it would be reversible, either if the arrangement proved a failure or in the event of war. This last would make it at least marginally more palatable to the DOD. Moreover, it is a real change, and one that should satisfy the President's desire for centralized authority. It would not go as far toward efficient centralized management as the DCI's power would allow but the preservation of the unique qualities and strengths of CIA seem to us worth this cost. Overall, it would place relatively more weight on the DCI as substantive adviser to the President and relatively less on the DCI as administrator.

At a later stage, after the dust had settled and after the DOD was persuaded that the detachment of the CCP and NRP had been accomplished without reducing the intelligence support afforded to it, rationalization of the various collection capabilities under the DCI might be undertaken.

This option presents the greatest potential for a significant increase in the ability of the Intelligence Community to collect, analyze and disseminate national intelligence. It also contains the danger of leading to a considerable decrease in our present capability because of the possible weakening of CIA through the separation of the DCI. Which of these two diverging paths the future holds seems to be largely dependent upon the managerial ability of the DCI, the Director of CIA, and the organizational structure that they must work within. To begin with, some of the most troublesome problems of the past would no

longer have any relevance. There would be no controversy over who produces national intelligence. Similarly, the argument that the DCI, whatever you call him, is still the Director of CIA first and foremost, would lose credibility as the Director of CIA and the program managers of the CCP and NRP would have the same leader. Disputes among these giants of the Community would have the same forum for argument, the same route for appeal and the same judge for decisions. CIA's special relationship with the DCI would no longer detract from the DCI's credibility in the Community as a dispenser of resources and an arbiter of disputes.

### *New Management Problems*

Nevertheless, a very real jurisdictional conflict remains. The benefits of granting the DCI line command and budgetary control over such major parts of the Intelligence Community must be balanced by the immediate management problems that he would have as a result of his increased authority. Given time, good will and a pragmatic approach your new challenges appear manageable. First we should recognize that by giving you the authority over the national intelligence programs that is necessary to carry out your responsibilities, we have in turn increased the Secretary of Defense's concern that the tactical requirements of the Services will not receive adequate attention. This is an essential point and the very real concerns of DOD must be satisfied. Some of the collection capability of the CCP and NRP is tactical by any definition and it may be wise to transfer the clearly tactical portions of these national intelligence programs to the DOD. This could take place over a period of time to avoid the disruption that would be caused by an abrupt shift. Even with a DOD tactical intelligence collection capability and the best of intent, there would be areas of real disagreement between DOD and the DCI over what portion of national intelligence resources should be used to satisfy DOD requirements. The command relationship between the DCI and the NSC and the strong DOD position on the NSC should provide the Secretary and the Joint Chiefs with both an adequate appeal mechanism and a forum to bring pressure on the DCI to be more responsible. An NSC committee chaired by the President's Assistant for National Security Affairs with clear policy guidance jurisdiction over the DCI and his national foreign intelligence programs could lessen DOD concern on this issue. The war and peace resource control controversy is also an integral part of the DCI's inter-relationship with the Secretary of Defense. An arrangement that assured DOD that their wartime intelligence needs would be accommodated could also alleviate further their concern over the loss of DOD command control over CCP and NRP. Some parts of the General Defense Intelligence Program are concerned with strategic intelligence of national interest and could be examined on a case-

by-case basis to see if they should be included under the DCI's authority over national intelligence programs.

Whatever shape the reorganization of the Intelligence Community takes and however the scope of your role is defined, the DCI should establish the capability to make significant internal realignments of national intelligence elements and committees under his command in the coming years.

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**39. Memorandum From the Special Assistant to the Deputy to the Director of Central Intelligence for the Intelligence Community (*[name not declassified]*) to the Deputy to the Director of Central Intelligence for the Intelligence Community (Murphy)<sup>1</sup>**

Washington, April 29, 1977

SUBJECT

SSCI 25 April Draft of "Intelligence Reorganization Act of 1977"<sup>2</sup>

1. Reference is the latest draft of the Senate Select Committee on Intelligence proposed legislation, "Intelligence Reorganization Act of 1977," copy of which was provided by Bill Miller on 26 April. This is a revision of the 29 March draft earlier provided.<sup>3</sup>

2. Bill Miller's note was marked: "For your information. This is the latest draft. More to come."

3. This memorandum has been prepared for your background use in discussions relating to the bill. At Tab A is a comparison of the roles and duties of the senior U.S. intelligence officer as set out for the "Director of National Intelligence" (DNI) in the SSCI draft bill, and for the DCI in E.O. 11905. The SSCI bill would give the DNI much more authority than the DCI now has. At Tab B is a brief discussion of each section of the SSCI bill, indicating where problems are identified.<sup>4</sup>

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<sup>1</sup> Source: Central Intelligence Agency, Office of the Director of Central Intelligence, Job 80M00165A: Executive Registry Subject Files, Box 6, Folder 15: C-38.2: Senate Select Committee on Intelligence (SSCI). No classification marking.

<sup>2</sup> A summary of the April 25 draft is *ibid*.

<sup>3</sup> Not found. See footnote 5, Document 38.

<sup>4</sup> Tab A, "Authorities and Duties of the Senior U.S. Intelligence Officer," is attached but not printed. Tab B, a review of the draft bill, is attached but not printed.

4. While various aspects of the bill are highly debatable, there is only one aspect that I consider essentially unworkable, and that is the responsibility assigned to the DNI for departmental, tactical and intelligence-related activities as well as national intelligence activities.

a. The DNI is charged, for instance, to review all ongoing and proposed tactical, departmental and intelligence-related activities to “assure” that they are “properly and effectively directed, regulated, coordinated and administered,” that they provide needed information, that they are not illegal or improper, and that they do not “adversely affect the national security, national defense, or foreign relations of the United States.”

b. It can be expected that execution of these responsibilities would pose severe jurisdictional problems with the Joint Chiefs of Staff and the Secretary of Defense and their supporters in Congress.

5. Other provisions of the draft bill that raise the likelihood of overlap or conflict between DNI and JCS/SECDEF authorities or interests are these:

a. The DNI shall review all national, departmental, tactical and intelligence-related activities of the U.S. and make recommendations to the President, the National Security Council and the Congress regarding their “most effective relationships.”

b. The DNI shall provide “guidance and direction” to the head of each IC entity to ensure the activities of each entity are “effectively and efficiently managed” and in conformity with the Constitution and laws of the U.S.

c. The DNI shall not only prepare the annual budget for all national intelligence activities, but also review and approve or disapprove all proposed reprogramming or fund transfer to or from any IC entity.

d. The DNI shall be responsible for security of U.S. communications. (COMSEC has not heretofore been an intelligence responsibility.)

e. The DNI shall have authority to terminate the employment of personnel of NSA and the special offices for reconnaissance, as well as CIA personnel.

6. Comment can be made on the bill without addressing whether or not the DNI also should head the CIA. By inference, the SSCI intends that the DNI be separated from CIA since the draft bill contains no reference to a particular relationship with CIA. If the phrase, “Act as operating head of the CIA” were added to the list of DNI duties in Sec. 106 no other amendment of the draft bill would be required to accommodate this change.

a. If the DNI is not the operating head of the CIA, staffing to execute his responsibilities could cause a partial dismantling of the Agency since the DNI is charged to “receive, correlate, analyze and

evaluate all national intelligence and be responsible for the production of all national intelligence” and to “produce” NIEs and SNIEs. As part of his responsibility for national intelligence, a DNI separate from the CIA would require his own current intelligence/indications and warning staff.

7. One aspect of the bill which may pose considerable problem to the Administration is that the legislation would put the legislative branch on virtually a co-equal basis with the Executive branch in terms of the substantive intelligence and reports to be provided by the DNI.

8. The definitions of “national” and “departmental” intelligence continue to be troublesome since the differentiation is made on the basis of “primary use” which fails to recognize that the same information can be important at national, departmental and tactical levels.

9. The SSCI is progressively tightening the criteria for approval of covert actions. The present standard used by the OAG is that proposed CA be “*important*” to the national security. The 29 March SSCI bill enjoined the President from approving any special activity unless it was “necessary because of a *grave threat* to the national security.” The 25 April draft would require that a proposed special activity be “*essential* to the national security.”

10. The 25 April draft to which these comments and Tabs A and B apply is not even a complete Title I of the bill. Section 117, “Prohibitions on Particular Forms of Special Activities,” has not yet been provided. Preliminary drafts of Title II, which will include charters for the various national intelligence agencies, are expected to be made available rather soon.



40. Memorandum From the Comptroller of the Central Intelligence Agency (Taylor) to Director of Central Intelligence Turner<sup>1</sup>

Washington, May 6, 1977

SUBJECT

Further Thoughts on PRM-11 Issues

1. During your session with us the other day<sup>2</sup> on our paper on the options available under PRM 11,<sup>3</sup> you asked several fundamental questions about the nature of the authorities we thought you needed to do your job. Following the meeting we spent some additional time talking with Mr. [name not declassified] about his related efforts and got from him some further insight into your questions. As I understand it, you have divided the question of authorities into three basic areas: those dealing with the ability to *task* the Community to do your bidding, those which involve enhanced *budgetary* authority, and those which deal with *line authority*. Mr. [name not declassified] suggested that a paper dealing with some of the issues inherent in these concepts might be helpful to you, and we offer the following.

2. We see the problem similarly but would argue that line authority and tasking are in fact one and the same thing. Tasking in our view is a subset of line authority and not an independent, stand-alone variable. But let us take you through our reasoning. To do that we will talk about the tasking question first, then line authority, and then budgetary authority.

3. There is a good deal of confusion surrounding the concept of tasking. Let us elaborate on two different views as to what tasking means. You are today under the 1947 Act<sup>4</sup> charged with pulling together intelligence from all the various producers and collectors in the Intelligence Community and integrating it for the consideration of policy makers. You thus have the legal authority to *ask* for the product of all Community components and to ask collectors to collect certain kinds of information. In the case of CIA you cannot only ask that the information be collected but *direct* that that task be accomplished; and if it is

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<sup>1</sup> Source: Central Intelligence Agency, Office of the Director of Central Intelligence, Job 97M00248R: Policy Files, Office Level and Above, Box 1, Folder 14: Intelligence Structure and Mission (Folder 3). Secret. Sent through the DDCI. Neither Taylor nor the DDCI initialed the memorandum.

<sup>2</sup> Not further identified.

<sup>3</sup> Presumably a reference to Document 38.

<sup>4</sup> Reference to the National Security Act of 1947, P.L. 80-253.



not done to your satisfaction, you are in a position to change that. With respect to the other collection entities in the Community, however, all you really can do at the present time is ask. The mechanisms available to you to ask the Community to contribute on problems basically consists of the DCI committee structure, which is a vehicle for the articulation to others of your requirements and needs. You have at the present time all the authority you need to *ask* through these mechanisms that work be done. What you lack is the ability to enforce those requests, i.e., to ensure that requests are met in whatever timeframe is appropriate. Because the DCI's role in the Government is important and cannot simply be ignored, the collegial committee process resting essentially on the consent of the participants often works, although rarely as crisply and efficiently as is ideally possible. In short, tasking should mean not only the ability to ask for information but the ability to ensure that you get it. The former you have; the latter you lack. It is line authority over the Community components involved which would give you the latter. It is for this reason that we would argue that the concept of tasking is in fact integral to the concept of line authority.

4. What would it mean if you had the ability to task the Intelligence Community to answer to your needs in the way we have suggested above? To answer this question, we picked the management problem you mentioned at our recent meeting—how far does your present staff authority have to be augmented to gain effective control over NSA? Or, as you put it, how much of the existing dotted line between the DCI and NSA would have to be inked in to give the DCI the necessary authority to manage NSA? As the solid line representing the authority of the DCI over NSA increasingly replaced the dotted line of staff guidance, the solid line that now extends from the Secretary of Defense to NSA must be correspondingly broken to reflect the DCI's increased authority. Thus, we have a twofold problem. Any increase in the DCI's ability to direct or manage NSA must be accompanied by a proportionate diminution of the power Defense now holds over NSA. The force of logic influences us to state that you cannot both have line control and not have it; or to answer that there is no such thing as a *little* line control. It seems to be indivisible. The owner of the heaviest solid line calls the shots and establishes the ground rules for the other players. But let's look at what powers the DCI *now* has to make NSA responsive to his direction and, then, enumerate what we think he must have to carry out his responsibilities. Some place between the powers the DCI now has over NSA and those we believe he should have, the border between the dotted staff line and the solid command line will be crossed.

5. The DCI is faced with two distinct management situations as he strives to carry out his responsibilities to the President. He must manage

the diverse resources of the Intelligence Community toward the fulfillment of long-term national intelligence objectives and, on an ad hoc basis, he must be able to utilize these same resources to support the President in crisis situations. Crisis management puts a different stress upon management capabilities than do the work-a-day problems he faces that are not time urgent. Therefore, we should examine the need for increasing the DCI's authority over NSA in both situations.

6. The DCI's present ability to "direct" NSA is made up of three separate but obviously interrelated approaches. First, is his unquestioned authority to promulgate broad collection guidelines in the form of Key Intelligence Questions<sup>5</sup> and other more specific national intelligence requirements. Secondly, he can, through the budgetary process, veto some NSA activities, change the pace of ongoing activities where progress is closely related to dollar limits, and he can encourage new initiatives by providing funds to encourage NSA-originated initiatives. Lastly, he can selectively use the force of his personality and his access to the President to bring a recalcitrant Agency into line. The promulgation of broad guidelines and the selective use of special access to higher authority are textbook mechanisms that are traditionally used by staff personnel to get the job done. Strong budgetary power is one of the keystones of line authority. Thus, the DCI today has the usual staff powers plus one of the essential elements of line authority. The other essential element of line authority is the capability to reward directly those who effectively carry out their assigned responsibilities and to punish just as directly, those who do not. The rewards and punishment element of line authority encompasses the ability to hire and fire personnel, to have unrestricted access to all parts of your subordinate organizations and to evaluate the performance of subordinates against the tasking they have been given by their chief.

7. How can the DCI use the tools he now has to direct NSA? If the DCI decides that the needs of national intelligence require more economic reporting and less military reporting from NSA, he can issue collection guidance requirements that "task" collection systems to increase their economic reporting. No one will question the DCI's right to issue collection guidance and if the Director, NSA, and the Secretary of Defense agree with the DCI, the necessary adjustments will be made. If they do not agree, the collection ratio between military and economic coverage will remain more or less the same. The DCI, in the course of time, will find out that NSA is not responding to his tasking. At this point, he can wait for the next budget cycle, or he can appeal to the

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<sup>5</sup> William Colby, DCI from September 1973 until January 1976, established the Key Intelligence Questions in 1973, which were to provide the entire intelligence community with intelligence targets critical to policymaking.

President to tell the Secretary of Defense to honor the DCI's request to collect more economic intelligence. The DCI may decide this is really not a proper problem to bring to the President's attention, and the DCI will then have to pick up his budget stick. He will soon discover, however, that he cannot find an effective place within NSA to use the budget stick to cause a shift from military to economic reporting. The same collection systems serve both reporting categories. This is also true of the processing mechanism. There is nothing to veto; no unit to deprive of funds and no slots he can refuse to fund. The choice may be to cripple the ability of NSA to collect intelligence at all or to let them continue their practice of selectively responding to DCI collection guidance. Thus, all the tools in the DCI's inventory can prove to be ineffective in the most elemental test of his powers—the bringing of collection systems into line with national intelligence needs. He can, of course, given a world of “limitless” resources, give NSA the extra funds they would need to expand their overall collection capability in general and thereby increase economic coverage, but that is rarely a real option.

8. As would be expected, a crisis situation which calls for a rapid shifting of collection emphasis to support the President's need for the rapid formulation of foreign policy initiatives shows even more clearly the handicaps the DCI must overcome to orchestrate collection and production resources. With his present powers, the DCI can order his human source collection mechanism to respond, and the DDO will move immediately to redirect its collection assets. The DCI's Human Resources Committee is not even relevant to this process. In fact, most DDO collectors have only the vaguest notion of this Committee. One leg of the DCI's collection triad has responded immediately to his direction. The other two legs of the triad, represented by SIGINT and reconnaissance systems, are not as easy to redirect in crisis situations. The assets of the CCP and the NRP are owned by the Secretary of Defense. If the Secretary perceives the crisis with the same level of priority as does the DCI and if he agrees with the “trade off” involved with any redirection of collection assets, then all will go relatively well. The DCI's SIGINT and COMIREX Committees will work their collegial magic, and the technical collection systems will slowly swing around to focus on the crisis. The DCI has effectively matched Community resources with national intelligence needs. Or has he? Maybe the Secretary of Defense played the key role. For what would have happened if the Secretary had not agreed with the importance of the crisis and refused to go along with the collection trade off that would occur if his CCP and NRP assets were moved from their standing collection responsibilities? In that case the collegial committee process would not work as harmoniously. The inevitable compromise process would

set in with its attendant delays, and the DCI's effectiveness in focusing Community resources on a crisis area would not be as impressive. In essence, the DCI can do anything with the resources of the CCP and the NRP that the Secretary of Defense lets him do. In short, you are not in a position to make trade off collection decisions because it is the Director of NSA who must do the balancing between your needs and those of the components or organizations which he serves most directly in a command sense. Giving you line authority over the two other parts of the Community as suggested in our earlier paper, the NRO and the CCP, would put you and not the Director of NSA in the position of weighing the competing intelligence and military needs. And it is, of course, for this reason that Defense will most strenuously argue with proposals to remove these components from the Department.

9. If Defense controls the resources of the CCP and the NRP, and if the DCI has essentially the same staff guidance relationship to both, why is it that the reconnaissance assets seem more responsive to DCI guidance than do the COMINT collectors? Of the two technical DCI resource tasking committees, COMIREX works more effectively through the collegial process than does the SIGINT Committee. In fact the COMIREX Committee has often been held up as a model for the other collegial committees to emulate. The answer to this is rather simple. COMIREX assets are limited by technology to collecting data within a narrow spectrum of national intelligence needs. Moreover there is a great degree of Community acceptance of COMIREX targets. Photographs seldom help us to understand the political process of a target nation. They are of limited use against economic targets. Pictures do not tell us much about basic research or the pre-prototype stages of weapon systems developments. Overhead photography, however, is a remarkably effective collector against targets of military significance. The importance of the military targets covered by COMIREX assets is understood and accepted. The limitations of this technology to collect against other targets is also understood. Therefore, the COMIREX Committee meets in an atmosphere of relative harmony with limited possibilities for significant "trade off" arguments. Discounting telemetry and ELINT collectors which enjoy the same relative target commonality as photographic satellites, SIGINT Committee COMINT assets have the technological potential for collecting against all national intelligence requirements. The probability of disagreement is correspondingly broad and the likelihood of agreement without extensive compromise and long delays is improbable. There are, of course, other differences between the collection programs represented by the COMIREX and SIGINT Committees but they are not as fundamental. CIA's historical role as the technological leader in satellite photography

and the physical location of important program managers within CIA and under the line control of the DCI also improve the DCI's ability to match COMIREX resources against intelligence needs. Since the DCI and the Secretary of Defense have fewer disagreements over photographic, telemetry or ELINT targets, DCI requirement guidance is more effective and the need for DCI line control to match resources against requirements is not as critical. The opposite is true with COMINT collectors. Without real line authority there is no way of making sure COMINT collection will be guided by your perception of national intelligence needs.

10. In our meeting on Wednesday,<sup>6</sup> there was a good deal of discussion about what it would mean to you if you were in fact responsible for not only the CIA but also the CCP and NRO in a line management sense. Questions were raised as to whether the management job was so large that your ability to carry out substantive responsibilities would be seriously compromised by the time required to be spent on managerial duties. Basically, we think this is somewhat of a red herring. There are many Government officers who have responsibility and authority over programs larger than that which would emerge if CIA, NRO, and CCP were combined. Further, we think there is a plausible argument that line control over those other two organizations would in fact make your Community resource and other responsibilities easier to handle than they now are. You would then have the more manageable task of making your organization responsive. The collegial Community management process developed over the years and further enshrined in E.O. 11905 is, because it is built on a Presidential order which cannot modify statutory responsibilities, necessarily a cumbersome and time-consuming apparatus. If your real authorities were clearer, it can be argued that the managerial task you would have would in fact be simpler. In the last analysis, the question is really one of delegation. In combining the three organizations, it would be important to build an effective staff organization which enabled you to focus the organization on the questions you wished addressed, and it would be necessary to build procedures to ensure that the large questions in which you wanted to be involved were brought to your attention but the others were handled by subordinate elements. In other words, the way in which you delegated your authority and indeed your management style would probably be as critical to the question of whether or not you had time for substance as would the size of the organization you would be managing.

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<sup>6</sup> May 4. Presumably the meeting with DCI Turner.

11. We have talked about tasking and about line authority and argued that one is but a subset of the other. What of the various proposals to give you expanded budgetary authority in the Intelligence Community *without* line authority? To answer this question let us lay out the two different models which as far as we are aware have been attempted in the Government and give you a sense of what each would mean and how it would work.

12. The first of these is essentially reflected in the existing IC staff arrangement. You were given under the Executive Order last year what is essentially a staff responsibility to the President, not unlike that of OMB, to advise him on the appropriate mix and disposition of resources within the Intelligence Community. The authority you have been given under the Executive Order is limited to making a *recommendation* on the proper allocation of resources. If a decision is made, it must be the President's or the Secretary of Defense's, and you have no legal responsibility for the defense of the program before the Congress or the execution of it once it is approved except in the case of CIA. The ability to recommend actions on the budget is a powerful tool although it has, as we pointed out in our previous paper, limitations.

13. Another model which has been suggested would involve appropriation of funds to you for that portion of the Intelligence Community for which you wish to have a budget responsibility. These funds would be directly apportioned by you among the various programs which make up the Community. In such an arrangement, you would theoretically be given the power to run an effective budget process, to raise issues and decisions with the President, and to defend the program before the Congress, and to execute the budget as you saw fit within any limitations imposed by outsiders. There is precedence for such an arrangement. The so-called poverty program set up by President Johnson in the Office of Economic Opportunity (OEO) in the early 1960s in fact was designed to function in this manner. The basic concept was that funds would be appropriated to the Director of OEO but that the responsibility for actually conducting programs would generally be delegated to other existing departments of the Government. The Director OEO would shape the budget in accordance with his priorities, defend it before Congress, but leave the day-to-day management of, for example, manpower training programs, to someone else, in this case the Secretary of Labor. By the late 1960s when OEO's appropriation was about \$2 billion, about \$1 billion was appropriated to the Director of OEO but transferred thereafter by him to the Secretary of Labor for the conduct of manpower programs. The idea had a good deal of appeal but in fact was largely judged a failure. (The whole program was thought by many to be a failure; here we are discussing only this peculiar budgetary arrangement.) The fact was that the Secretary of

Labor had vastly more influence over the budget which legally was to be prepared by the Director OEO than one would have thought, given the original concept established in law. This happened for very human reasons, and we doubt that were you, for example, to have a similar responsibility with respect to NSA today the situation would be much different. Because the Secretary of Labor operated the manpower programs, because he had good Congressional contacts, because OMB turned to him for advice on these programs rather than to Director OEO, because even the White House turned to the Secretary of Labor instead of the Director OEO for advice, OEO found itself essentially rubber stamping what the Secretary of Labor had already agreed to do with others. In fact OEO was never able to get the Labor Department to concentrate on the areas it thought were important in the manpower program area. Doubtless there have been other analogous approaches to this problem in previous times although we personally are not aware of any of significant size. In this particular case, after a fair amount of backbiting between OEO and the Department of Labor and a growing recognition by everyone that little was gained by appropriating the money to OEO, a decision was eventually made to appropriate the funds for these programs directly to the Department of Labor. No one knew the difference.

14. A net assessment of *that* experience is that it was not worth the trouble. In addition, our previous paper suggests to you what we believe are some of the other important limitations of the budgetary tool alone.<sup>7</sup> Also, we explained our view that your assumption of a more far-reaching budgetary role within the Community would lead to demands from others in the Community, particularly the Department of Defense, that you separate yourself from CIA. This in turn would require that you take at least the production apparatus out of CIA so that you would be able to fulfill your most fundamental intelligence responsibility, thereby raising the question of whether CIA without the production apparatus could continue to exist. Perhaps more fundamental from your point of view, however, you would be left with line command over essentially only the production apparatus and faced with a “residual” CIA (i.e., the CIA today minus the DDI and the NIOs) which reported around you in a line command sense to either the NSC or the President. We doubt that the budgetary authorities you would gain would compensate for the losses sustained through your separation from the CIA and the end runs which would, we think, occur with some regularity.

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<sup>7</sup> Document 38.



15. Thus, we return to the argument posed in the earlier paper, that it is line command over the essential elements of the Community which you need to do the job which others expect you to do. In this connection, we might explore one further option. If it is clear that it is line command over the Intelligence Community which should be established, is it necessarily clear that it is the DCI who should exercise this authority? Why not, for example, make the CIA responsible to the Secretary of Defense and establish a position of Intelligence Community czar within the Department of Defense? This solution is conceptually the same as giving line authority over the Intelligence Community to the DCI, and it would solve the Community management problem analyzed in our earlier paper. This arrangement would have the great strength of not provoking an enormous battle with the Department of Defense. In avoiding that battle, however, we believe that you would create several others which would be equally, if not more, difficult. Perhaps the only issue on which almost any Congressman (from conservative to liberal) will agree regarding CIA is that it must be independent of the policy making apparatus of the Government. A proposal to include CIA within the Department of Defense would we think provoke a very strong and negative reaction. In a large study of this question last year,<sup>8</sup> we pursued this option at some length and considered whether there might not be some arrangement which would accommodate to those concerns. We considered, for example, the idea that the DCI might be established as a statutory official within the Department of Defense responsible for the management of all intelligence including CIA and that in an arrangement similar to the Joint Chiefs of Staff, he would be able to see the President independently on substantive or other matters of concern. The concept has a certain appeal and it would in fact solve a number of managerial concerns. In the last analysis, however, we believe that the approach is flawed. Customers in departments and agencies other than Department of Defense would see such a move as a threat to the support which they now receive. This would be particularly true in the case of the Department of State. We doubt that a CIA lodged in the Department of Defense could attract the quality of personnel it needs to do its job, primarily because the intelligence profession must always be viewed within Defense as *support* to the Department's primary responsibility to guarantee the nation's military security. Despite legal provisions guaranteeing the independence of the Director in a substantive sense from the Secretary of Defense, we doubt such independence could in fact be guaranteed or that others would believe that it could.

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<sup>8</sup> Not further identified.



16. We hope that this paper is helpful to you. We would be happy to either pursue some of these ideas further on paper or explore them with you in another meeting. There may also be practical problems on which you may like short papers. One of these might be concerned with the management structure you might need to exercise line control over CIA, NSA and the NRO.

**James H. Taylor<sup>9</sup>**  
*Comptroller*

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<sup>9</sup> Printed from a copy that bears this typed signature.

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**41. Memorandum From the President's Assistant for National Security Affairs (Brzezinski)<sup>1</sup>**

Washington, May 31, 1977

MEMORANDUM FOR

The Vice President  
The Secretary of State  
The Secretary of Defense  
The Attorney General  
The Director, Office of Management and Budget  
The Director of Central Intelligence

SUBJECT

PRM/NSC-11

The attached report has been prepared by a special interagency drafting team for SCC consideration in response to the requirements of Section 3 of PRM/NSC-11. It is intended to provide a reasonable starting point for SCC deliberations that will result in recommendations to the President on the future mission and structure of the Intelligence Community. It should be read in conjunction with the separate

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<sup>1</sup> Source: Central Intelligence Agency, Office of the Director of Central Intelligence, Job 97M00248R: Policy Files, Office Level and Above, Box 1, Folder 14: Intelligence Structure & Mission (Folder 3). Secret. Copies were sent to Lipshutz and Eizenstadt.

reports prepared by the DCI<sup>2</sup> and Attorney General PRM/NSC-11 Subcommittees.<sup>3</sup>

The first SCC meeting on PRM/NSC-11 is scheduled for 8 June at 10:00 a.m. in the White House Situation Room. The agenda for this meeting will be:

- a. How to structure the PRM/NSC-11 decisionmaking process
- b. Strategy for dealing with Congress
- c. Views on structural options
- d. Views (time permitting) on "other solutions."

**Zbigniew Brzezinski**

### **Attachment**

#### **Report Prepared by an Ad Hoc Interagency Group on Intelligence Structure and Mission<sup>4</sup>**

Washington, undated

[Omitted here is the table of contents.]

#### *INTRODUCTION*

This report is submitted to the NSC Special Coordination Committee for its consideration in fulfillment of the responsibilities assigned to it by the President in PRM/NSC-11. The report draws on material prepared in support of both the DCI and Attorney General PRM/NSC-11 SCC subcommittee deliberations and reflects extensive written departmental inputs and deliberations within a special senior level Working Group.

The report consists of four principal parts related to each other in the following manner:

—Section I, Objectives and Principles for US Foreign Intelligence, provides the essential broad criteria against which any improvement options, especially organizational, ought to be judged. They are what the President should expect from intelligence and are in effect a broad set of guiding principles.

—Section II, Problem Areas, then defines and analyzes the basic problem areas within the Intelligence Community in the present organi-

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<sup>2</sup> See Document 42.

<sup>3</sup> Brzezinski sent the three PRM/NSC-11 subcommittee reports to Mondale, Vance, Brown, Lance, and Turner under cover of a June 4 memorandum. (Washington National Records Center, RG 330, OSD Files: FRC 330-80-0017, 350.09 (June) 1977) See also Document 36.

<sup>4</sup> Secret.

zational, leadership and political environment. It is based on a comprehensive review of US foreign intelligence activities but is not itself a definitive critique. Its purpose rather is to provide enough background on the present performance of the community to comprehend the implications of possible organizational and other changes in terms of their impact on major difficulties encountered by the present system.

—Section III, *Structural Options*, begins with a concise description of the present structure, then identifies a representative range of organizational options. It is not intended to be theoretically comprehensive but rather to portray real-world possibilities responsive to the guiding principles and problems previously identified in Sections I and II of this report.

—Section IV, *Other Solutions*, recognizes that while organizational changes may resolve some of the problems associated with the management and operation of the Intelligence Community, there are other problems that will be virtually unaffected by structural change. It identifies certain perennial problems that will require sustained and creative attention by Intelligence managers and on which the President should be kept informed.

## *I. Objectives and Principles for US Foreign Intelligence*

### *A. Objectives*

American foreign intelligence is a complex and costly information service operated by the Executive Branch of the United States Government to support its conduct of foreign policy and national security affairs. Government intelligence is distinguished from other public and private information services by:

- Concentration on the information needs of official decisionmakers;
- Systematic collection, by human and technical means, of information that other governments try to keep secret;
- Evaluation of all information, including that from public sources, available to the Government;
- Dissemination of resulting data and judgments to those who need them;
- Disciplined efforts to keep secret that information about its operations and results, the disclosure of which would undermine intelligence effectiveness and national security.

US intelligence is unique in the world for its state of the art, the scope of its activities and the extraordinary range and variety of organizations and activities that constitute its consumership.

The President is the most senior consumer of US intelligence. While he receives and uses intelligence directly, more importantly, he is the chief executive of a large hierarchy of intelligence-using organizations.

US intelligence must serve all elements of the US foreign policy and national security establishment in the Executive Branch, mainly

the Office of the President, the Departments of State, Defense, Treasury, and the Arms Control and Disarmament Agency. To a lesser degree, it also serves other elements of government with foreign affairs concerns.

Intelligence is also provided to entities outside the Executive Branch. Congress has long been and is increasingly important as a consumer of intelligence. The US public indirectly derives much of its information, especially on closed societies, from intelligence. Officially cleared contractor organizations supporting foreign and defense policy efforts draw on intelligence. [2 lines not declassified]

The Intelligence Community itself consumes intelligence, stores it for the future, or exploits it to guide operational or developmental decisions.

Within the core of the US national security establishment in the executive departments, consumers of intelligence exist at all levels. They include:

- The President, the National Security Council, Cabinet, and sub-Cabinet officials.
- Departmental planners of foreign economic, arms control force structure, strategic, and R&D policy.
- Operational planners of political, economic, and military actions.
- Field planners and executors of policy and operations.

Viewed from the top of the structure, Washington consumers seem to dominate the constituency of US intelligence. But there are many very important consumers outside Washington. Like intelligence assets themselves, military commands and diplomatic missions that depend on intelligence are distributed around the world. Important military consumers of intelligence, for example, some unified and specified commanders, combat commanders, weapon system developers, and training facilities, are also distributed around the US.

The essential mission of US intelligence is to deliver high quality information and judgments on foreign developments of enormous variety to this multiplicity of consumers, from the President down to military and civilian officials engaged in tactical decisionmaking and planning. Achieving each of the hallmarks of quality presents US intelligence today with serious challenges.

—Intelligence information be *accurate*. Beyond sorting out the pervasive background noise of world affairs that confronts any observer, this means intelligence must penetrate the secrecy barriers erected by skillful opponents. It also means that intelligence data available to the total system must be stored, retrievable, and disseminated in a reliable and timely manner.

—Intelligence must cover needs that are *very extensive*. As a global power, US interests and, hence, information needs lack readily defined

limits. Some argue, however, that presenting US intelligence needs as inherently without limits leads to excessively costly effort, in terms of resources and political risk. Those of this view have difficulty defining what the limits should be but insist they nevertheless exist. Others take the view that US intelligence needs should be expected to shrink as US commitments and involvement around the world are reduced; for example, in Southeast Asia. But the contrary effect impresses itself on intelligence managers: as US unilateral power to shape world events is reduced relative to that of others, US policy choices become more difficult and, hence, needs for information to refine its interests, commitments, and forces appear to expand. This presents US intelligence managers with thinly spread resources and the requirement to focus their resources more skillfully. Whether or not US relative power is shrinking, the US will continue to pursue a foreign policy of global dimensions. This will demand an intelligence effort of substantively global scope. Nevertheless, the priorities among regions and topics, as well as the means of collecting and exploiting information, will have to be refined with new rigor.

—US intelligence must be *responsive* in two senses. It must be *relevant* to the real needs of US decisionmakers. It may need to tell them things they *need* to hear even if they do not think them relevant. It must not only be about the problems that concern them; it must help them make decisions. It must be responsive to needs that the consumer does not yet fully appreciate, not just for today's problems, but more importantly for the future. This requires a close dialogue between intelligence suppliers and consumers that proves in practice very hard to achieve and sustain. It must also be *timely*, a condition that may be measured in months or years for some problems, or minutes for others, particularly in the case of intelligence support to commanders of military forces.

—US intelligence must be *analytically penetrating and sophisticated*. In theory, there is an unbroken continuum between "facts" that an agent or sensor can report as intelligence, and weighty policy judgments that political and military leaders must make. Intelligence could be asked to supply "just the facts," and leave to the statesman or general the task of integrating and analyzing the facts as part of the process of policy choice. But US intelligence has long been required to move beyond the raw data it collects to grapple with judgments that are not too distant from policy choice. For example, "What are Soviet strategic objectives?" or "What is the future of Black Africa?" are issues typical of those on the intelligence docket. This requires that intelligence must have high-quality talent and organizational structures for demanding research and analysis to support intelligence production.

—Intelligence judgments must be *candid and objective, unbiased* by policy preference. It must supply the decisionmaker with information

and judgments he ought to hear, including those he may not want to hear. Where large hierarchical organizations are involved, this demand is obviously not easy to square with the imperatives of responsiveness to decisionmakers' needs and of analytic sophistication on subtle or subjective issues. It also means that where intelligence is serving well, it must face some dissatisfaction from customers that dislike its findings.

—Finally, intelligence must provide for *safeguards against abuse* in balance with security needs. Many intelligence activities are secretive of necessity and occur at the edge of interstate conflict, where governments have always assumed extraordinary powers. This makes such activities susceptible to abuses more grave than corruption or misuse of authority that any public or private enterprise must protect against. Prevention of such abuses must be of paramount concern in structuring the system to satisfy national security needs.

In addition to supplying effective intelligence service to its many consumers, US intelligence must meet two more essential objectives:

—Its activities, particularly the most expensive activities of intelligence collection and processing, must be managed in an efficient or generally cost effective manner;

—Its activities must be demonstrably consistent with US legal and basic political standards.

### B. *Principles*

It is possible to postulate a number of general principles that should govern the management and operations of a US Intelligence Community intended to meet these objectives. Some of these principles relate to the organizational structure of the Community, others to the style of management and oversight.

#### 1. *Diversified Service*

The Community must be structured and managed so as to provide responsive intelligence support to the wide diversity of consuming organizations at many levels. This means that many consuming organizations must have their own intelligence production entities who know and can respond to their unique needs. In addition, consuming organizations must have means of tasking or influencing the current activities of the Community as a whole, in production and collection. They must also have some means to influence the longer-range programming decisions of intelligence that create capabilities for the future. In principle, then, there must be numerous entry points for statements of need and numerous exit points for delivery of intelligence services, however the Intelligence Community is structured.

#### 2. *Pooling Information and Collaborating in Judgment*

The post-war intelligence system of the US grew out of the need to assure communication among intelligence elements the lack of which

was perceived to have permitted surprise at Pearl Harbor. It is a long accepted principle that US intelligence must be so structured that, within the limits of sound security and reasonable divisions of labor, the entire system must be able to share data and judgment within itself, and, on major issues, to collaborate in disciplined agreement or disagreement. This is a process that can always be improved but which must take place, whatever the Community's structure.

### *3. An Independent Source of Judgment*

Another well established principle of US intelligence management is that there must be at the center of the Community an entity capable of pulling together the data and judgments of other entities, but sufficiently strong and independent to offer intelligence judgments that are, to a maximum extent possible, uncolored by policy preferences, or other institutional considerations that may influence the judgments of departmentally based entities.

Taken together, these three features of intelligence production structure—diversity, pooling and collaborating, and a policy-independent source—afford a system of checks and balances required for effective intelligence performance over the long term on issues necessarily open to debate and differing judgments.

### *4. Readiness for War*

It is increasingly apparent that, while devoted to assist in the maintenance of peace, US intelligence must be capable of supporting the conduct of war with the minimum of disruptive transition. This capability must be appropriate to a range of possible conflict situations from those like Vietnam to a major central conflict with the USSR and it must be regularly exercised by those who will use the capability in crises and war. In the modern world intelligence structures cannot count on a protracted period for adjustment to the needs of conflict support, be they national entities or tactical elements organic to military forces. This is particularly pertinent with regard to unique national intelligence assets with wide coverage, such as reconnaissance satellites.

### *5. Efficient Management*

US intelligence must be managed so as to provide the most effective service at reasonable cost. Given the lack of comprehensive "sufficiency" or "value" criteria for intelligence, this is very difficult to accomplish in a systematic and measurable way. Approximating the ideal and elusive standard of cost-effectiveness for intelligence requires careful structuring of authorities and decision processes that govern the [illegible word] use of current resources and the assembly of resources for the future.

a. Resource allocation means choices and trade-offs. It must be decided what programs should compete against each other. Some intel-

ligence programs should clearly compete against other intelligence programs under a central system. Some intelligence programs should compete directly against non-intelligence activities, such as combat forces. At higher levels, the President and Congress must balance intelligence against national security outlays as a whole and the total federal budget. Rational resource allocation means building a framework with the attention span, competitive participants, and incentives that encourage a rational choice.

b. Because intelligence is a highly diversified service function, no single central authority acting alone can know enough about what is needed to make effective resource decisions. There must be reliable means for those served by intelligence—its constituency—to state their needs to and bring influence upon intelligence resource management decisions.

c. At the same time, there must be sufficient centralizing authority to force painful choice where it is needed on a rational basis, to compel programs to be justified on the basis of their ultimate contribution to intelligence or other product, and to preclude resource allocation purely on the basis of organizational ownership and clout. The decisionmaking power of this central authority must be commensurate with the responsibility it has to assure efficient resource management. Three levels of decisionmaking power can be brought to bear on intelligence resources:

- power to define goals, requirements, and priorities;
- power to shape the allocation of funds;
- line management control over personnel, actual operations, and support activities.

For some intelligence activities of preeminently national character, all of the above powers might be rationally centralized, although many of them have been historically managed on a decentralized basis owing to their location in and need to serve a policy department. For others, central authority might effect adequate efficiencies through the first and second levels of power with line control in departmental hands. For yet others, decentralized resource allocation authority outside of intelligence is appropriate because these activities should be balanced against non-intelligence needs at a low level of aggregation. Power to define goals, requirements, and priorities and power to allocate resources can be exercised with collegial advice or after collegial decision.

#### *6. Safeguards Against Abuse in Balance with Security*

Intelligence abuses, like military or police abuses, carry the potential of subverting constitutional principles and basic individual rights. Prevention of such abuses requires:

a. A viable system of laws and regulations that defines both the limits of proper intelligence activities and a viable secrecy regime to assure its effectiveness.



b. A set of oversight mechanisms within and outside intelligence that places responsibility for prevention of abuse in the hands of a few duly constituted and informed officials.

c. Clear lines of authority over and responsibility for intelligence activities.

d. Strong leadership from the President and all intelligence managers in cultivating professional ethics among all engaged in intelligence activities, upon which prevention of abuse ultimately must rest.

### *C. International Environment*

Decisions on the principles and structures that govern the management of US intelligence must be made against the expectation that the next generation will be more difficult for the United States in many respects than the generation past. US relative power in the world has diminished; that of major adversaries has grown. Although US commitments have been adjusted, US current and potential interests have not diminished. They remain global, and an increasingly complex and interdependent international environment has made them more subtle. The international environment remains volatile and rich in potential for violence. Meanwhile, urgent domestic business constrains what can be allocated to traditional goals of national security, including intelligence. The public also demands assurance that those governmental activities necessary to provide for the common defense do not pervert its legal and political values.

The burden on US intelligence necessarily remains large. At a minimum, bearing that burden adequately requires a strong framework that can endure for a considerable period, adjust to changing needs, and allow the intelligence business of the nation to proceed with reasonable confidence after the turmoil of recent years.

## *II. Problem Areas*

This section defines in general terms the major problem areas of the Intelligence Community. It is based on a comprehensive review of all U.S. foreign intelligence activities but is not itself a definitive critique. Its purpose rather is to provide enough background on the present performance of the Intelligence Community to comprehend the implications of possible organizational and other changes in terms of their impact on major difficulties encountered by the present system.

### *A. Production of National Intelligence*

All serious reviews of the performance of the Intelligence Community have identified intelligence production to be a major problem area. In recent years it has almost become conventional wisdom that national intelligence production fails to provide the President, the NSC and

other senior decisionmakers with the consistent high quality analysis and judgments they require. This situation is of concern because as the Church Committee report so aptly stated: "The production of finished intelligence is the principal purpose of all U.S. intelligence activities; neglect of it is unacceptable for the future."<sup>5</sup>

### 1. *Organization Performance*

The major finished intelligence production agencies are the Central Intelligence Agency (CIA), the Defense Intelligence Agency (DIA), the Military Service Agencies and the State Department's Bureau of Intelligence and Research (INR). The intelligence elements of Treasury and ERDA play a more limited national intelligence role. Briefly defined finished intelligence production is the process whereby collected "raw" data is transformed into "finished" analytical reports and studies that are relevant to the requirements of a plethora of intelligence users. Intelligence production involves the specific tasks involved in the collection, evaluation and analysis of the full range of information collected not only by Intelligence Community human and technical sources but available to anyone from open sources.

The roles and performance of the major agencies involved can be characterized as follows:

—CIA was originally conceived as a central and independent agency devoted primarily to coordination and final "correlation and evaluation" of all foreign intelligence data, irrespective of its original source, and with the objective of providing senior officials with high-quality finished intelligence reporting free from possible departmental bias. To achieve these ends (i.e. the production of so-called "national" intelligence) a sizable analytic corps has been created at CIA which is able by itself to produce on most questions that are of major importance and that is able to act as a competitive balance to the production of departmental intelligence agencies. The DCI also has a small independent senior professional staff of National Intelligence Officers who devote most of their time to overseeing development of interagency analytical products, including most importantly National Intelligence Estimates, and other more formal interagency coordinating mechanisms, such as the National Foreign Intelligence Board. This appearance of order, however, is deceptive since—like in other areas—the DCI's responsibility for national intelligence production is much greater than his actual authority which in

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<sup>5</sup> See footnote 3, Document 32. The Church Committee report comprises 14 volumes. An Interim Report on Alleged Assassination Plots Involving Foreign Leaders was published in 1975. The other 13 volumes were published in 1976. See *Hearings Before the Select Committee To Study Governmental Operations With Respect to Intelligence Activities, United States Senate, Vols. 1–7 and Final Report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities, United States Senate, Books I–VI.*

reality runs no further than his line control over CIA's analytic elements. The success of the interagency production effort in the final analysis rests on the voluntary cooperation of the participating departmental production elements. This system works best when conflicting demands on the departments are lowest (i.e. non-time critical situations) and on the least controversial, (and frequently the least important) subjects. CIA's critics believe it does not pay enough attention to military factors and tends to take an ivory tower approach isolated from the real world of policy interests.

—*DIA*, as a departmental production agency, has many problems. It is seriously handicapped by the physical division of its production elements and it has never been able fully to solve the problem of recruiting high-quality civilian personnel using regular civil service procedures to work in an agency where many senior positions are restricted to military officers. The high turnover rate of its military officers is another mixed blessing. DIA's greatest problem, however, is its mission of providing a full range of production intelligence support to many consumers: the Secretary of Defense and his office, the Joint Chiefs of Staff, the military services and field commanders. The wide range of requirements of these sets of customers are often different and together they are much more than the present DIA structure can accomplish. DIA's involvement in the national intelligence production process and support of the Secretary of Defense often compete for scarce resources with the need to meet the tactical requirements of field commanders and the strategic ones of the JCS. Some critics believe that DIA analysis is too influenced by the military services.

—*Service Intelligence Agencies*. To some critics these agencies appear to be duplicative, but they do much useful work that contributes to national intelligence. The analyses of the service scientific and technical intelligence centers, buttressed by their close rapport with service laboratories, are essential inputs to national estimates and judgments on foreign military capabilities, as well as vital to service responsibilities for weapons development, doctrine, and force structure decisions.

—*INR*. Insofar as intelligence production is concerned INR's missions are: (a) to provide analytical support for the Secretary of State and other policy officials of the State Department as well as diplomatic and consular missions; (b) to provide the Department of State's contribution to national intelligence; and (c) to furnish political and economic analysis for the use of other intelligence agencies through its own series of analytical reports. INR is also an interpreter of the foreign policy implications of analysis in other fields of intelligence, including strategic and military. Living as it does among policy and operational officials, the Bureau is in a good position not only to serve the specific needs of its foreign affairs clients but also to bring this perspective

to bear in focusing national intelligence. This closeness to end users sometimes opens INR to criticism that it may be unduly influenced by policy views, but the benefits to the intelligence process clearly outweigh any threats to objectivity. The analytic quality of INR's product, while not uniform, is usually high. INR's small size, in comparison with its sister agencies, is a constraint on its ability to be fully responsive by itself to the needs of policymakers on a broad scale or to the demands of interagency intelligence production.

## 2. *Specific Problems*

Sweeping indictments are easy to make but it is more difficult to be precise in defining the national intelligence production problem. The most recent authoritative study of this problem was produced last year for the NSC by the Intelligence Community Staff.<sup>6</sup> It found that in the eyes of its users, the products of the Intelligence Community are "uneven, a mixture of demonstrable strengths and significant weaknesses." In summary, the most important specific findings of this study on user perceptions were:

- Inadequate Intelligence Community understanding of the needs of various sets of users and of priorities among these needs.
- General user satisfaction with current, short-term reporting on most topics and geographic regions, but a serious deficiency in anticipatory analysis which alerts policy components to possible problems in the relatively near future (one to three years).
- User desire for more multi-disciplinary analyses which integrate political, economic, technological and military factors to provide a broad appraisal of issues and events for developing US policies and programs.
- User discontent with NIEs and interagency products, especially regarding their utility, and relevance to policy issues.
- Problems in the Community's ability for early recognition of impending crises, in integration of intelligence with information on US political and military actions; and in the definition of responsibilities of the DCI and other Government officials concerned with warning and crises information.
- User concern about what they view as unnecessary compartmentation of many intelligence products.

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<sup>6</sup> Semiannual NSC Intelligence Review: An Assessment of National Foreign Intelligence Production, December 1976. [Footnote is in the original. See *Foreign Relations*, 1969-1976, vol. XXXVIII, Part 2, Organization and Management of U.S. Foreign Policy; Public Diplomacy, 1973-1976, Document 81.]

### 3. *Causes*

The causes for this uneven record are many, but the critical aspects appear to derive from certain systemic—though not necessarily organizational—problems:

#### a. *Changing Requirements*

The number of intelligence users is expanding and their needs are becoming more complex and sophisticated. Vital new issues concerning international economic, political, social and technological developments demand analytical treatment comparable to the more familiar and traditional national security issues. But the Intelligence Community cannot easily move to support these new concerns with its present relatively fixed fiscal and manpower resources. This is because at the same time the important traditional issues of Soviet and Chinese military capabilities and intentions are becoming both more resistant to collection and more complex in terms of the information required. Effective mechanisms for assigning priorities to competing analytical demands are central to resolving these problems.

#### b. *Producer-User Relationship*

The Intelligence Community too often has a poor perception of users' needs and cannot project future key requirements with confidence. Current mechanisms for adjusting intelligence priorities to match user needs are complex, imperfect and do not involve users to the extent that they should. At the same time, most major users of intelligence do not articulate their needs for intelligence particularly well and inadequately project their future needs. Thus intelligence managers have considerable difficulty setting firm priorities for allocating intelligence resources. This difficulty is particularly apparent in dealing with user needs that cut across traditional intelligence topics or regions, e.g., information relating to nuclear proliferation.

#### c. *Communications*

Information availability and communication problems inhibit the intelligence production process.

—The basic principle of a free and timely flow of all relevant available information into the national intelligence production process has not worked perfectly. This has been particularly true in the area of keeping intelligence analysts sufficiently informed of U.S. policies and activities which affect their analyses and estimates.

—No mechanism exists to insure that all relevant information collected by non-intelligence agencies is provided to the analytical elements of the Intelligence Community in a timely and systematic manner. As a result, considerable information of value to intelligence analysts and already in the possession of the USG is not adequately reflected in intelligence products. The free availability of such information would also make it possible to minimize to a greater extent intelligence collection efforts on that data unobtainable by other means.

—There are also persistent problems in effecting adequate directive communications between analysts and those charged with the collection of raw intelligence. Ideally collection should be driven by analytic production requirements, but this is only infrequently the case. Available data and the impetus of technology tend to govern what is produced. The Intelligence Community remains structured in such a way that collection guides production rather than vice versa.

*d. Balance of Production*

The traditional intelligence output is solid, descriptive reporting—the when, where, who, what and how of facts bearing on various issues. Producers of finished intelligence tend to give priority to these responsibilities because it is necessary for their own operations and it answers the first line demands of users for direct support. A vocal body of users (and critics) also increasingly want deeper, more sharply focused analyses, estimates, and projections to improve their understanding of current situations and likely future developments bearing on the principal policy, program and negotiating issues.

Producers have encountered substantial problems in moving from factual reporting to complex analyses. Analytic products require more comprehensive and detailed data and the best and most experienced personnel to produce it. Deeper analysis takes more time and closer review by supervisors. Finally, this kind of intelligence production is in direct competition with the needs of both users and producers for “bread and butter” work that maintains order of battle and capabilities data bases, reporting on scientific and technological trends, and description of day-to-day political and economic developments.

*e. Intelligence Objectivity versus Policy Relevance*

Good interpretive analysis often comes close to the meshing of policy and intelligence. By tradition, however, intelligence producers have favored passive over active support of users and have been reluctant to initiate a closer user-producer relationship. The worry has been that a closer relationship might somehow compromise the objectivity of intelligence judgments. As a result, many intelligence products have been less relevant and timely with respect to user needs than could be the case.

In those areas where production and policy are closest (energy, economics, terrorism, narcotics, SALT, MBFR and certain territorial negotiations) maintenance of objectivity usually has not in fact proved to be a serious problem. There is, of course, always a danger that close working relationships between intelligence analysts and departmental staff officers or senior policymakers will result in biased products that are structured to support policy positions, as producers come to identify with the policies they helped develop. This is a risk but one that can

be minimized by the proper degree of professionalism on both sides and alert management.

*f. Checks and Balances*

A doctrine has developed that calls for the DCI to deliver neatly packaged national intelligence, complete with dissenting views to the President and NSC. At the same time departmental intelligence organizations are authorized to service directly two of the principal NSC members—the Secretaries of Defense and State—and through them also have a channel for direct dissemination of their product to the White House. While these departmental entities insist that CIA's national product be coordinated with them and exercise vigorously their right to dissent, neither hesitates to issue uncoordinated views in conflict with a "national" intelligence position. CIA also provides "uncoordinated" views to NSC members. The result all too often has been a flood of overlapping papers of varying degrees of validity, unleashed on the policymaker.

Obviously, sheer duplication is to be avoided but as in many other endeavors a certain amount of competition is healthy. Intelligence analysis seeks to know the unknowable and penetrate the impenetrable. When evidence is insufficient or ambiguous or absent, the more minds and more lines of analysis pursued the greater the chance of approximating the truth. When the competitive system works right each organization is stimulated by the critical work of others; none can afford to stand pat on conventional wisdom.

*g. Personnel Problems*

All production elements of the Intelligence Community have encountered difficulty in developing proper personnel systems and management relationships. While the collection and processing functions lend themselves readily to standard managerial and technical approaches, the analytical production job is highly dependent on the intangibles of intellectual brainpower.

Put another way, in the final analysis the intelligence product can only be as good as the people that produce it. Attracting creative individuals and providing them with a directed but stimulating intellectual environment is difficult within normal bureaucratic constraints. Promotion systems that are structured to single out for advancement to managerial positions the most outstanding lower-level analysts sideline key performers too often in roles they are ill suited to perform. The normal tendency toward managerial "layering" results in too many people reviewing and managing rather than creating original reports.

*B. Translating Intelligence Needs into Collection Tasking*

The DCI is the senior and central requirements officer for national intelligence. He is in charge of the processes whereby the Intelligence



Community decides how to match current national information needs with currently available national collection assets.

*[1 paragraph (10 lines) not declassified]*

The operational tasking of the major national collection assets has been greatly complicated by the increasing capability of these systems to serve not only the broad interests of national policymakers and defense planners but also the more specific technical interests of weapons developers and the more time-sensitive indications and warning, crisis monitoring and combat intelligence requirements of field commanders. Communications intelligence provides political and economic data, as well as information on military capabilities and operations. Agents are asked to collect information ranging from details of Soviet weapons technology and grain harvests through worldwide political intentions. Imagery systems produce photography which is of critical interest both to the SALT policymaker and the Army Commander on the East German border.

In the case of overhead imagery, the COMIREX brings together statements of need, adjudicates conflicting priorities, and provides precise collection instructions. There is a high degree of confidence that these precise instructions will be followed in satellite collection, barring mechanical failure. The resulting imagery is distributed to some 25 major exploitation facilities among intelligence agencies and military commands, with the central requirements mechanism seeing that the priority needs for reading out information are met and that appropriate data bases are maintained. *[3 lines not declassified]*

By comparison with imagery, the SIGINT collection systems are much greater in number, widely varied in composition, and their output requires much more specialized processing. For these reasons, a single United States SIGINT System managed by the Director of the National Security Agency was created, and he was assigned additional national responsibilities for U.S. Communications Security. Given the existence of this single SIGINT system, the DCI's SIGINT committee translates information needs into actionable statements of requirements for the Director of NSA, with provisions for users to address time-critical requirements to NSA directly, keeping the central committee mechanism advised. However, only in the use of overhead satellite collection systems does the central committee structure provide prescriptive and prioritized collection guidance. Other SIGINT collectors make their own independent decisions when faced with the necessity for trading off national for departmental reporting requirements.

In the area of human resources collection, no consolidated national collection requirements system exists. Each HUMINT collection entity is provided guidance in the form of general DCI requirements statements; but each also operates on its own independent appreciation of



national and departmental requirements through direct contact with analysts and policymakers. The HUMINT tasking problem is made even more complex by the fact that much of [8 lines not declassified]

A serious deficiency in the current requirements system is the lack of a formal and unified system for “all-source” requirements development which can orchestrate collection across the basic disciplines. Another key unresolved problem is ensuring the responsiveness of the major national technical collection systems in time of crisis and war to the military needs, both national and tactical, which these systems are increasingly capable of serving. There is also the problem of providing for the tactical commanders access to the national collection systems to serve their needs in peacetime; and in the other direction, of ensuring that the appropriate product of “tactical” intelligence collection is made available to national policymakers.

The collegial tasking mechanisms have a potential for interagency conflict, but in practice have provided a measure of certainty that no one consumer will be either totally neglected or completely satisfied. Finally there is a persistent perception that the collectors are not really responsive to the DCI in his requirements tasking mode because he lacks the means to hold them accountable for their performance. Lacking a systematic performance evaluation system as a “grade-card” for collectors, it is difficult if not impossible, to prove this case.

### *C. Line Authority over Intelligence Elements*

By the term “line authority” is meant day-to-day management and operation of an activity . . . what has been called “command, without operational control” in the Defense Department. There appears to be general agreement that systems and organizations which are substantially Departmental and tactical in nature should remain under line authority of the departments although there is a significant grey area in defining what is “Departmental” and “tactical.” The principal questions relate to responsiveness of nationally controlled intelligence collection systems to DCI requirements in producing national intelligence and to what line authority arrangements best facilitate transition from peace to crisis to war. The interface between national intelligence collection systems and the non-NFIP military facilities essential to support them—such as missile ranges, manpower, shipyards, base operations, logistics etc.—also must be considered in assigning line authority.

There are perceived problems in the DCI serving dual roles as a leader of the Intelligence Community and as head of the Central Intelligence Agency. The final report of the Church Committee observed that “the Committee has found concern that the function of the DCI in his roles as intelligence community leader and principal intelligence advisor to the President is inconsistent with his responsibility to manage one of

the intelligence community agencies—the CIA. Potential problems exist in a number of areas. Because the DCI as head of the CIA is responsible for human clandestine collection overseas, interception of signals communication overseas, the development and interception of technical collection systems, there is concern that the DCI as community leader is in a conflict of interest situation when ruling on the activities of the overall intelligence community.”

“The Committee is also concerned that the DCI’s new span of control—both the entire intelligence community and the entire CIA—may be too great for him to exercise effective detailed supervision of clandestine activities.”

A counterview to these concerns, expressed by CIA personnel in arguing for the status quo, suggests that removing the DCI organizationally from the CIA would deprive him of his substantive base of support, thus adversely affecting his ability to function as the substantive intelligence advisor to the President. They consider the DCI tie with CIA absolutely inseparable, given the direct access that provides to the President, and they hold the view that to be a strong Community leader, the DCI needs not less authority over CIA but rather greater authority over other principal elements of the community.

Individuals from the IC Staff and CIA maintain that the capability of the DCI to produce high quality and responsive national intelligence can be substantially enhanced if he is given line authority over the major nationally controlled collection assets (NSA, *[less than 1 line not declassified]*). Intelligence managers in State and Defense contend that such shifts of line authority are neither necessary nor desirable. They claim, the DCI can already obtain full support through his existing prioritization and tasking authorities and access to all their products, and that such shifts would be seriously disruptive to support for the conduct of diplomacy and military operations in crisis and war since these national collection programs depend in large part on DOD assets and expertise worldwide for effective operations.

#### *D. Program/Budget Development and Resource Allocation*

##### *1. E.O. 11905*

E.O. 11905 created a collegial forum—the CFI (now the PRC/I)—for intelligence program and budget decisions and charged it with controlling budget preparation and resource allocation for the NFIP, playing a role in establishing production and collection priorities, establishing management policies, and providing guidance on the relationship between tactical and national intelligence. The Intelligence Community Staff (ICS) was charged with supporting the CFI as well as serving the DCI who was also tasked with the development

of national intelligence requirements and priorities. The DCI, under this E.O., was to ensure the development and submission of a budget for the NFIP to the PRC/I. The CFI was to review and amend the budget, as appropriate, for the NFIP prior to submission to the OMB. These provisions, together with authorities over reprogramming and requirements on the members of the Community to furnish the DCI and CFI the information needed to perform their duties, lie at the heart of the Community's resource management structure and debate.

## *2. Ambiguities and their Results*

The E.O. has certain ambiguities that plagued CFI operations during its first year. First, while the DCI's role in establishing intelligence requirements and priorities was reaffirmed in the E.O., the CFI in addition to its resources role, was given responsibilities for providing guidance, policy for management, and policy priorities for the collection and production of national intelligence in an attempt to relate requirements to resource planning. The relationship between the DCI's and CFI's role in those latter responsibilities was unclear and never resolved.

Second, while the CFI was to control budget preparation and resource allocation, the E.O. did not directly modify the roles of the heads of departments and agencies with respect to allocation of resources, describing their functions in terms of "conduct," "direct," or "operate" as contrasted to the "control" reserved for CFI. The intent was to accommodate to, not supplant, the resource management procedures of the departments/agencies in order to permit the DCI and CFI to fulfill their roles.

Third, the IC Staff, while charged with supporting all of the principals of the CFI, was subordinate to the DCI providing a much greater measure of support to him and staffs supporting the other principals were not only retained, but strengthened. The amalgamation of DCI/CFI authorities with Department/Agency authority was probably too subtle. This led to ambiguities, particularly with respect to program and budget decisions. The ambiguities, it is generally acknowledged, led to considerable confusion and unproductive debate over prerogatives and authorities on the part of the principals, their staffs, and the intelligence agencies on their respective roles in direction, resource control, and guidance of intelligence activities.

Despite these ambiguities in the E.O., there is general agreement on what the CFI, supported by the ICS, did during its first year of operation. Its dominant focus was on development of review procedures and review of the FY 1978 programs and budgets submitted by the individual intelligence components of the NFIP. The generally accepted views (while still heavily debated as to whether good or bad) are:

—The committee, the IC, DoD and OMB staffs had significant problems in developing procedures, and they spent considerable time ironing out these procedures.

- Defense tried to focus committee attention on a set of difficult, albeit real, management problems that have historically been resistant to central management authorities; it resisted committee involvement in the details of Defense activities which comprise over 80 percent of the NFIP on the basis that the committee should not redundantly, or “micro-manage” activities best left, in its view, to lower decision levels.

- The ICS, in turn, attempted to focus committee attention on a discrete set of precise dollar issues in the context of an individual program; it resisted committee involvement in either complex cross-program issues or longer range resource management alternatives.

- The OMB appeared to approach the CFI somewhat ambivalently. It tried to use an alliance with the IC Staff as a means of obtaining detailed financial and detailed technical program information on intelligence systems from the departments which it had, over the years, found difficult to obtain. At the same time, OMB appeared to react negatively to the situation where OMB was not a participant in the CFI as they had been in past intelligence resource management forums. This reaction took the form of fueling the procedural debate, reinforcing an OMB role between the CFI and the President, reserving to itself the prerogative to independently formulate issues for Presidential decision as in other Executive Department budgets.

—These differences in resource management philosophies resulted in an FY 1978 review that:

- Focused committee attention on a discrete set of precise dollar issues mostly within individual programs as identified primarily by the program manager.

- Submerged minor dollar issues, whether or not relevant to cross-program or longer range management objectives, in the belief that neither the committee nor the President could effectively deal with them.

- Deemphasized major intelligence management problems and establishment of policy priorities that would focus attention on cross-program issues or longer range problems.

—It coordinated appeals of FY 1977 congressional appropriation actions, made FY 1978 budget recommendations on the issues reviewed, presented a consolidated budget for review, and participated, with the President and OMB, in a final review to submission of the President’s budget to Congress.

There is also general agreement on what the CFI did not do (and still much debate over whether or not they should do) during its first year of operation:

—The CFI established no policy priorities for intelligence production or collection or framework for determining them outside of the generally implicit priority determined by resource issues.

—DCI requirements and priorities were not reasonably definable, either in total, across, or by individual collection technique, such that the CFI could relate them to resource needs and allocations.

—The CFI although charged to do so, established no guidance for clarifying the scope of intelligence in order to establish an interrelationship between intelligence needed at the Washington policy level and that needed at the field operating level.

### *3. Expectations for the Current Process*

The CFI processes have been given a very short time to operate and the experience base for making judgments on their efficacy is extremely limited. Nonetheless, the broad outlines of the characteristics of the current resource review process for intelligence are reasonably definable:

—Lacking more precise Presidential allocation of specific authorities, there will continue to be considerable disagreement about processes/procedures, including access to financial information, programmatic detail, and justification data, which will detract from substantive review.

—With a PRC/I mechanism focused on resource allocation and a separate DCI mechanism focused on requirements, the necessary bridge between the two, essential to effective intelligence community resource management, is likely to develop slowly, if at all; the relationship between intelligence requirements and resources will continue to be obscured as long as separate processes and procedures for development of each are continued.

—Longer range intelligence management problems will continue to be resistant to review as long as the resource development and review processes are structured primarily along present lines.

—The resource issues amenable to PRC(I) review will continue to be a selected set of important but narrow and precise dollar issues, largely integral to an individual program because effective methods to crosswalk priorities, requirements and other programs are lacking.

—The problems of relating so-called national, departmental and tactical intelligence resources and capabilities will continue to grow with the potential for substantial duplication or, at worst, two separate streams of intelligence (national and tactical).

—Performance evaluations extending beyond the scope of an individual program will continue to be rare and difficult to perform.

Intelligence resource management today is tied to a set of individual programs largely structured along single or semi-unique lines, and

many of its characteristics would be present to some degree even with an effective collegial resource review process in place at the top. This specialization combines with institutional cultures, reinforced by security concerns, to impede open and frank discussions of concerns across specialized and compartmented lines.

There is, thus, some validity to the charge—widely voiced by operational personnel at various levels—that program managers, departmental staffs, the PRC(I), OMB, and the Congress—are micro-managing at a level of review and detail unbecoming their status. Since there has been no coherent aggregation of requirements and resources outside the individual programs, reviewers at all levels tend to address the same issues. Should 2 or 3 satellites be bought? Should an aircraft have X or Y equipment? Is human source collection in X country satisfactory? At times these questions are legitimate and should be pursued. But, there is a substantial degree of frustration on the part of both increasingly higher levels of program managers and outside reviewers—the former with the repeated reviews of their decisions and the latter with the inability to review decisions in a different or broader context. On the other hand, the broader questions are not being systematically addressed. Is the resource balance among collection, processing, and production about right? Is the allocation of resources among human source, imagery, and signals intelligence—either in total or on a given subject—appropriate? Is there proper resource emphasis on the USSR versus Western Europe, on political or economic versus military questions? Such issues are rarely raised and only partially answered because of the community's and the reviewers' ability to come to grips with them.

#### *4. Dealing with Resource Management Problems*

E.O. 11905 and the creation of the CFI neither attempted to nor solved many basic problems associated with intelligence resource management and, through various ambiguities, resulted in considerable confusion as to roles and responsibilities of those involved in the resource management task in solving them. Intelligence resource needs and their allocation among intelligence functions are heavily dependent on foreign and defense policies, priorities with respect to intelligence production and collection emphasis, requirements in the sense of information needed to be collected now or in the future, and the range of intelligence users intended to be served. Foreign and defense policies and alternatives are primarily an exogenous factor, though the interaction between policy and intelligence is complex and, at times, influences resource allocation. The remaining factors—intelligence community priorities, collection requirements and clarity with respect to the range of users the community is attempting to serve—are, however, primarily factors internal to, and controllable by the intelligence community and

can directly shape its resource needs and allocations. E.O. 11905 provided no new guidance on dealing with these factors and the CFI had a difficult time grappling with them.

One key problem is who should be charged with intelligence resource management and what are the respective roles of the PRC/I, the department/agency heads, the DCI, OMB, the program managers, and their staffs. In essence, since it has long been recognized that all have at least some role to perform in managing intelligence resources, this is a question of what mechanism should orchestrate the community resource management procedures and systems and what should be the extent of its authority. The PRC/I without specific Presidential guidance, can do it only with difficulty as the experience of the last year indicates. The IC Staff is effectively limited to areas where jurisdiction is agreed upon by the principals. The program managers' effectiveness is constrained to areas within his purview and has no responsibility or ability to integrate his resource management procedures and systems beyond his own domain.

In addition to deciding who is in charge and the extent of his authority, guidance on the type and nature of the resource decision process is needed. The major problems related to current processes include:

a. *Relating resources to consumer needs and priorities.*

Because the community cannot adequately relate resource inputs to outputs for consumers, both the community and the consumers are ill-equipped to determine what is needed at what cost. A reasonable means of conveying to the consumer alternatives on both information needs and on the related collection and production options/costs appears to be needed. Organizationally a single group or set of groups that can consciously translate among consumer needs, production capabilities and resources, and collection capabilities and resources appears to be needed.

b. *Relating collection requirements to resources.*

The link between producer information needs and collection requirements/resources is to a great degree intuitive and judgmental, and generally devoid of explicit consideration of resource implications. As a result, a systematic relationship between product needs and collection requirements/resources is lacking. Some more conscious tie between collection requirements and resources that forces an explicit consideration of the value of the information to be collected to the resources required for that collection needs to be developed. The community's individual programs have historically resisted this conscious interrelationship of requirements and resources, either for pre-budget justification or in a post-facto evaluation sense.



*c. Identifying cross-program issues and analyzing them.*

The vast bulk of community resources should be more competitive across present program lines. The community's current and past specialization both in terms of collection approaches and production does not facilitate cross-program comparisons. SIGINT, imagery, and HUMINT requirements are seldom compared either in terms of competitive potential collection against a given target or in terms of actual past accomplishments. Similarly, production resources are rarely compared either to consciously prevent undesirable overlap or to consciously promote competitive analysis.

The current organizational structure of the community's consumer liaison, production, requirements, and collection elements inhibits any attempt to crosswalk among its various components. Yet these seem to be fruitful areas for impacting on the overall size and allocation of intelligence resources. More explicit consideration of cross-program issues would be highly desirable and cross-cutting review mechanisms are required.

*d. Focusing on longer range intelligence management problems.*

The potential competitiveness of community resources extends beyond the current and future allocation of resources to encompass alternative management arrangements for many community functions. These would include such community-wide functions and services of common concern as ADP, communications, security, and liaison arrangements. Current community structure and resource review mechanisms fragment these activities among many components that make it difficult to focus management attention on these issues which have both resource and organizational implications. While cross-program by definition, they are unlikely to be resolved by a straight-forward cross-program resource approach without consideration of basic organizational and structural issues.

*e. Relating national and tactical intelligence needs and resources.*

The current dichotomy between national and tactical intelligence is becoming increasingly artificial with the development of technologies—both in collection and in communications—that knit the two together. There is general agreement that a tie is needed whereby the resources and needs of each can be wedded to the other. Current national and departmental management approaches are not conducive to this interaction and are unlikely to confront the relationship directly. Organizationally, the community needs an explicit mechanism either outside the NFIP or within it to force consideration of the relationship between national and tactical intelligence needs and resources. Since this largely affects Defense, it appears DOD should take the lead in making this relationship explicit, possibly through assignment of this responsibility to an OSD-level component.



### E. Counterintelligence

Foreign counterintelligence—the protection of the United States and its citizens from foreign espionage, covert action and terrorism—is the only major intelligence discipline for which there is no agreed national policy and no policy-level coordinating body. The Rockefeller Commission,<sup>7</sup> the Church Committee, the Senate Intelligence Committee and the President's Foreign Intelligence Advisory Board have each pointed to these deficiencies, and each has made recommendations to correct them. The subject was not covered substantively by Executive Order 11905.

#### 1. *Nature of the Problem*

The counterintelligence problem is complex because espionage and covert action programs directed against the U.S. are activities which:

- are conducted by allies as well as enemies;
- depending on circumstances, may or may not be illegal (and even where illegal, may be more important to contain and counter than to prosecute);
- vary in importance from benign to critical;
- are pervasive, but their extent is impossible to measure with precision;
- are demonstrably serious, but the damage is difficult to assess;
- are systematically organized and directed, but the evidence about them is fragmentary and isolated;
- seldom touch us knowingly as individuals, but significantly affect U.S. collective defense and national welfare;
- affect our international relationships, and infringe upon the responsibilities (often conflicting) of a number of departments and agencies;
- thrive on human weakness, greed, and misdirected idealism.

Counterintelligence embodies elements of intelligence activity and criminal investigation but is a distinct pursuit and responsibility. It can provide intelligence on foreign plans and intentions, but this is a valuable by-product. It can lead to criminal prosecution, but this is not the purpose. Unlike positive intelligence, the object is to deny, not acquire, information and, unlike criminal investigations, counterintelligence starts with the presumption of an intent to injure the national interest, not with evidence that a crime has been committed. Foreign

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<sup>7</sup> The Rockefeller Commission was created in January 1975 to investigate CIA abuses against U.S. citizens. It was charged with assuring that individual rights were protected while intelligence agencies were engaged in intelligence activities meant to preserve national security. For the Rockefeller Commission Report, released June 10, 1975, see *Report to the President by the Commission on CIA Activities Within the United States* (Washington: U.S. Government Printing Office, 1975). Documentation on the report and its recommendations is in *Foreign Relations, 1969–1976*, vol. XXXVIII, Part 2, Organization and Management of U.S. Foreign Policy; Public Diplomacy, 1973–1976.

counterintelligence serves one purpose—to protect the national security and the national welfare from secret incursions from abroad. It is an activity which requires continuous judgments ranging from policy considerations to operational decisions, but these judgments must be made against a background of changing views on what constitutes the national interest and security. Counterintelligence must be conducted by experts, but guided and defined by elected and appointed officials.

## 2. *Definition of the Threat*

There are several ways to assess the threat of foreign espionage, each of which has a bearing on the nature of the counterintelligence response.

a. The traditional assessment of the espionage threat has been an attempt to describe the enemy force structure. Such assessments have been based on a combination of hard facts, extrapolated data, and logical conjecture. In every case, they present a picture of forces so overwhelming, diverse, complex, and secretive that efforts to arrive at a coordinated national response are effectively paralyzed; how do we cope with the activities of [number not declassified] hostile foreign intelligence officers scattered throughout the U.S., let alone the cadre of agents who furnish these officers with intelligence information; how do we cope with the additional thousands of hostile intelligence officers and their agents whose activities are directed at the recruitment for espionage of U.S. citizens living or traveling abroad—[1½ lines not declassified]

b. Another and still imperfect assessment of the threat, but one which aids in establishing counterintelligence priorities, is the damage assessment: an effort to assess the consequences on national defense and national welfare of the flow of classified and proprietary information abroad. This kind of assessment seeks to describe the impact on our military preparedness of the compromise of a weapons guidance system or the effect on a diplomatic negotiation of a spy in the foreign office. However, such events are dealt with in isolation, seldom sustain policy-level attention, and there is a bureaucratic premium on limiting the damage assessment because the cost and programmatic implications of a full assessment can be catastrophic. For instance, it is virtually impossible to assess the full impact of such recent operations as the Soviet penetration of TRW, their repeated penetrations of NATO, and the East German penetration of the office of the Chancellor of the Federal Republic of Germany.

c. A third consideration in assessing the threat posed by foreign espionage is the degree to which it trespasses on the rights and freedoms of U.S. citizens. Does not Soviet intercept of U.S. telephone circuits invade the right of privacy? A correlated question is to what extent can an open and democratic society meet the threat to the collective

welfare through counterintelligence investigations? Present statutes do not provide an adequate base for the investigation of potential acts of espionage and terrorism.

Recently, documentary evidence has become available which shows that the Soviets (in particular) are systematically collecting secret Government and sensitive proprietary information on virtually every aspect of American life. In addition to the Federal Government (from the White House to the Equal Employment Opportunity Commission), the Soviets are methodically collecting information from defense contractors, oil companies, basic industries, commodity brokers, banking activities, computer and high-technology industries, etc. That the information is used against us has been demonstrated by Soviet efforts to exacerbate the 1973 oil embargo, the manipulation of international money markets, and the catastrophic increase in the price of sugar two years ago. Through collusion with U.S. citizens the Soviets have illegally acquired proprietary data processing know-how and embargoed electronic equipment.

### *3. Institutional Responsibility*

Responsibility for various aspects of counterintelligence is divided between the FBI, the CIA, the Army, the Navy, and the Air Force. The jealously guarded prerogatives of each and the acknowledged need for the utmost discretion in handling counterintelligence cases have in the past prevented the implementation of effective coordination. Equally important, each case of foreign espionage requires the responsible agency or agencies to deal with other elements of the Government which often have different kinds of responsibilities, inadequate guidelines and authority for dealing with counterintelligence issues and, in many cases policy considerations which run counter to the practice of effective counterintelligence.

An excellent single example of the coordination problem concerns the admission of foreigners to the U.S. The complex visa regulations which establish who and for what purpose a foreigner enters the U.S. are administered by the Department of State. Determination as to whether or not a foreigner (even with a visa) is actually admitted is wholly the prerogative of the Immigration and Naturalization Service. In both cases, policy considerations permit the granting of a visa and admission to the U.S. of identified foreign espionage agents. This is notwithstanding the fact that with the exception of some Communist bloc nationals, a foreign visitor, once in the United States, is unrestricted as to what he does and where he goes and is generally accorded the same legal protection as a U.S. citizen in the conduct of counterintelligence investigations.

The intelligence community is working the counterintelligence problem, but their authority and responsibility are properly limited.

a. *FBI* foreign counterintelligence responsibilities are to identify and neutralize the intelligence activities of hostile nations in the United States, and to detect and counter the foreign support or direction of terrorist groups and the Communist Party of the U.S. *FBI* programs focus on the 14 Communist nations represented in the United States and seek to cover the intelligence activities (including contacts with U.S. and third country citizens) of their diplomatic personnel, employees in trade and international organizations, couriers, correspondents, exchange and commercial visitors, seamen, migrants and refugees. [2½ lines not declassified]

b. *CIA* is responsible for U.S. counterintelligence activities outside the United States. These include the penetration of hostile intelligence and security services, the detection and countering of espionage and subversive efforts directed at U.S. personnel and installations abroad, and liaison with certain foreign intelligence and security services on counterintelligence matters. [2 lines not declassified]

c. In the *Department of Defense* each of the three military departments is responsible for detecting, investigating and thwarting the intelligence activities directed against its personnel and installations worldwide, and for the prosecution of military employees involved in espionage. [7 lines not declassified]

Jurisdictional delimitation agreements and National Security Council Intelligence Directive (NSCID) 5<sup>8</sup> define the geographic limits and coordinating responsibilities of the *FBI*, *CIA* and the military services. On the operational level coordination has been reasonably good but there have been serious gaps. On the policy level, particularly, where other departments and agencies are concerned, coordination and cooperation on counterintelligence problems have been limited to practical necessity.

The only official counterintelligence policy body is the Interdepartmental Intelligence Conference (IIC) created by the National Security Council in 1949 to coordinate "all investigations of domestic espionage, counterespionage, sabotage, subversion and other related intelligence matters affecting the national security." Its members are the *FBI* and the three military services but not the *CIA*. In 1962 supervision of the IIC was transferred to the Attorney General. While at various times the IIC has been an effective coordinating body, it has been inactive for the past several years and never fulfilled its ultimate potential as a national counterintelligence policy organization.

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<sup>8</sup> See *Foreign Relations, 1945–1950, Emergence of the Intelligence Establishment*, Document 423.

NSCID–5 provides inter alia that the DCI shall develop national policy for counterintelligence overseas, but the conscious formulation of such national policy has not been achieved.

There is now a consensus within the three branches of Government that the complex issues inherent in countering foreign espionage, covert action and terrorist activity directed from abroad must be squarely faced at the senior policy level. There is no quick fix. Foreign counterintelligence involves both domestic and foreign policy considerations and raises Constitutional and legal questions which can only be resolved by effective and systematic interaction between the involved department and agencies.

#### *F. Public Trust and Confidence*

Public trust and confidence in the Intelligence Community have been seriously undermined by disclosures of activities in the past that were illegal, injudicious or otherwise improper by today's standards. Moreover, many disillusioned persons who have come to believe the worst of their government tend to accept at face value exaggerated imputations of impropriety to legitimate foreign intelligence activities. In some quarters there is a persistent belief that U.S. foreign intelligence activities have still not been brought under adequate control. Clearly the Intelligence Community must earn wider acceptance of its legitimacy and role within our democratic form of government if a viable U.S. foreign intelligence effort is to be sustained over the longer term.

Congressional attitudes have also changed. Intelligence had as its original political base only a small group of senior congressmen, who protected it from and blocked its exposure to their colleagues. Over a quarter of a century, however, age and the electoral process took their toll of this group of elders and the position of those that remained was weakened, partly because the national attitudes of the 1940–45 period changed and the consensus they reflected was eroded by the Vietnam War and Watergate. Intelligence has thus been exposed in recent years to a rapidly growing new generation of political leadership that neither shares its traditions nor its view of the world. To complicate matters, the oversight of intelligence has become a testing ground both for the generational struggle within Congress and for overall balance of power between Congress and the Executive Branch.

Reorganization in and of itself will not create the indispensable base of public confidence and Congressional support which the Intelligence Community lacks today. Structural improvements in the name of efficiency must be accompanied by provisions for adequate controls and internal checks and balances—even at the cost of efficiency—in order to develop and sustain public confidence. Congress and the public must not only be satisfied that U.S. foreign intelligence activities pose

no current domestic threat but that such a threat cannot be created by another Administration in the future.

There are two other aspects to the question of public confidence: effective Executive and Legislative oversight; and reconciliation of the need for secrecy with greater public pressure for disclosure and accountability. Over the last year the need for effective oversight has been widely accepted within both the Executive and Legislative branches of government. The challenge here is to institutionalize the oversight concepts and functions.

The secrecy problem is much more complex. The need for secrecy is critical to the continued effectiveness of U.S. intelligence. Intelligence operations require a certain indispensable measure of secrecy and simply cannot be conducted unless Congress and the public accept this basic fact. This should not be impossible given the fact that the public already understands the need for secrecy in a wide range of other private and public matters from the lawyer-client relationship to the Federal Reserve's intervention in the nation's monetary system. However, resolving the issues secrecy raises in our open society will also require fresh analysis of what aspects of intelligence actually require protection, review of the concepts involved, and careful examination of the kind of legislation needed.

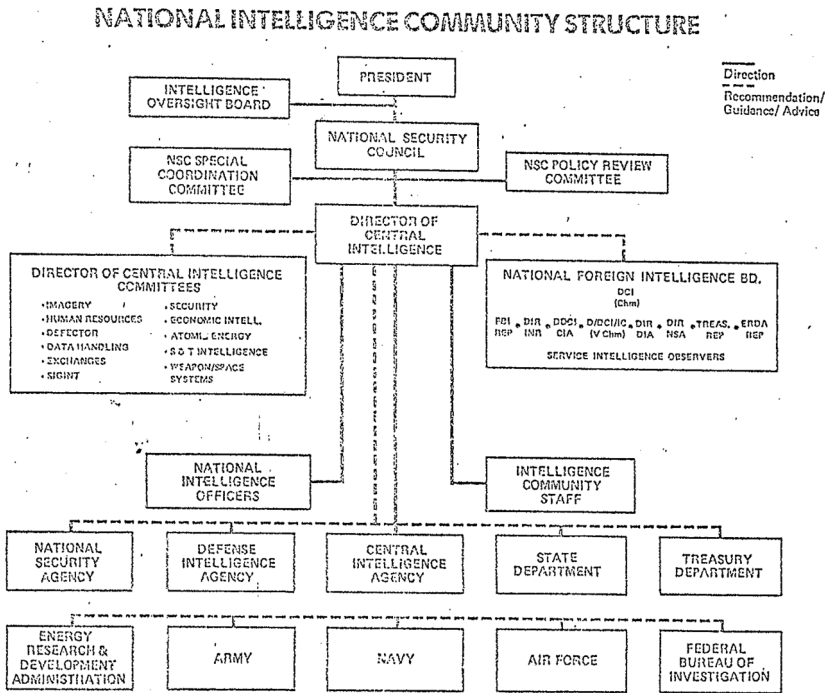
Projecting a positive image and promoting better public understanding is a difficult business. It must be rooted in the facts of performance yet circumscribed by the dictates of security. As the Intelligence Community, and especially CIA, engages in increasingly sophisticated analysis on a wide variety of nationally important topics it will inevitably be exposed to partisan criticism. For example, National Estimates on strategic issues will, if they are of any value at all, inevitably become part of the policy debate on SALT and U.S. military force structure. While intelligence analysis should be able to stand up to vigorous challenge by non-intelligence experts and be made available to all appropriate decisionmakers, care must be taken to insulate it from partisan public debate to the extent possible. Intelligence cannot become an open-ended public information service and still retain its special quality of providing discreet, no-holds-barred analysis for highest level governmental decisionmaking.

### III. *Structural Options*

Beginning with a description of the present structure, this section then identifies a representative range of organizational options. It is not intended to be theoretically comprehensive but rather to portray real world possibilities responsive to the criteria and problems previously identified in Sections I and II of this report.

The United States Government has an intelligence structure (Figure 1) whose present shape and functions have been dictated more by

FIGURE 1



pragmatism and historical accident than conscious design. This structure is often referred to as the “Intelligence Community,” an elusive term that tends to confuse more than clarify reality. There is in fact no single well-integrated and fully rationalized “community” but rather an aggregate of interlocking and in part overlapping intelligence-related responsibilities distributed in several major departments and agencies which are to varying degrees “coordinated” or “guided” by collegial mechanisms, through the process depicted in Figure 2.

Viewed functionally the organizations involved in the intelligence process may be grouped as follows:

a. *The collectors and processors of information*

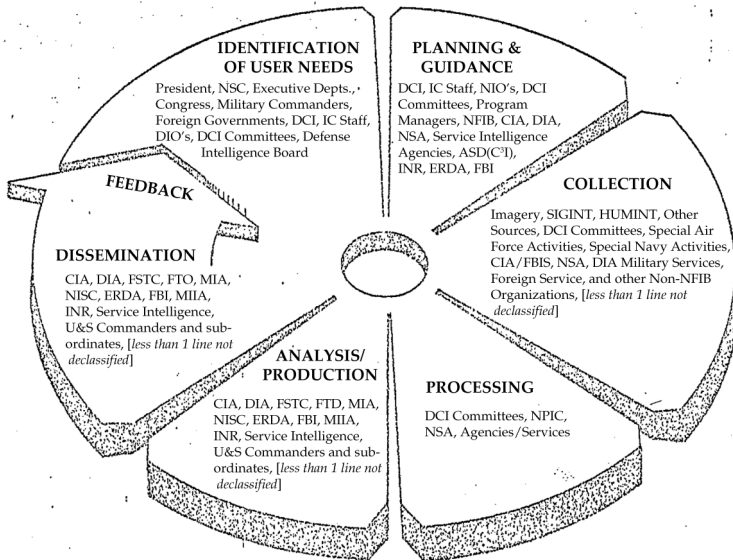
—CIA has primary worldwide responsibility for clandestine collection of human source information and collects and processes signals intelligence in certain unique circumstances. CIA also conducts as “services of common concern” monitoring of foreign public radio and television broadcasts and foreign press services, collection of foreign intelligence information from cooperating sources in the U.S., acquisition and translation of foreign publications and photographic interpretation.

—The *National Security Agency* (NSA) oversees a unified research, development and deployment program for the military cryptologic



FIGURE 2

## INTELLIGENCE PROCESS



services, exercises control over the signals intelligence collection and processing of the government, and itself collects, processes and distributes signals intelligence in accordance with requirements and priorities established by the DCI.

—[1 paragraph (3 lines) not declassified]

—[1 paragraph (4 lines) not declassified]

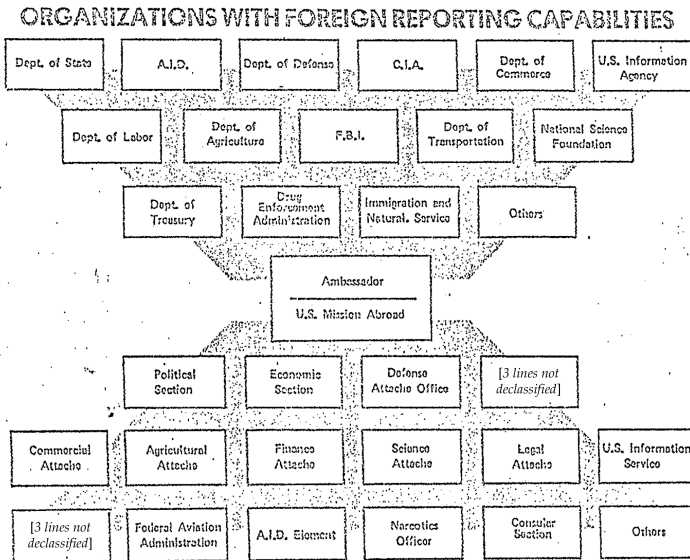
—*Military Departments and Services* each has responsibility to collect intelligence information within its specialized field of competence in support of national, departmental and operational command requirements. Army intelligence (ACSI) conducts human source collection in the Pacific area and in Europe and limited imagery collection in Europe and Korea while the Army Security Agency (ASA) collects signals intelligence. [5 lines not declassified] Navy intelligence engages in human source collection and conducts special reconnaissance activities for imagery, signals and other technical intelligence.

—The *Department of State* does not engage in intelligence collection as such, but Foreign Service reporting on subjects of interest are made available to intelligence production components. The Bureau of Intelligence and Research (INR) serves as a coordinating point for intelligence and requirements for FSO reporting.

—The *Department of Treasury* is responsible for overt collection abroad of financial and monetary information in ten major countries



FIGURE 3



where Treasury Attaches are posted and participate with State in overt collection of general foreign economic information.

—The *FBI* gathers information in pursuit of its counterintelligence and security responsibilities and, provides intelligence agencies positive foreign intelligence information it obtains from its investigative operations.

—The *Energy Research and Development Administration* overtly collects energy research and development information through technical exchange programs and ERDA representatives abroad, and formulates requirements for State's Scientific Attaches.

—*Other departments and agencies* (such as Commerce and Agriculture) though not a part of the Intelligence Community and not subject to the guidance of its information requirements, nevertheless provides much valuable information to production elements. The range of organizations with foreign reporting capabilities, Figure 3, goes far beyond the formal "intelligence community."

b. *The providers of specialized intelligence services.*

—CIA has primary responsibility for the conduct of counterintelligence abroad, liaison with foreign clandestine services, and conduct of the Defector Program. It also assumes responsibility for most covert action operations, on occasion with assistance of DoD and State.

—The FBI is responsible for foreign counterintelligence and counterespionage within the U.S., has jurisdiction over defectors within the U.S. and, to a lesser extent, has law enforcement responsibilities in the national security field.

—DIA reviews and maintains cognizance over all plans, policies and procedures for noncryptologic intelligence functions of DoD.

—The Army, Air Force and Navy each have counterintelligence responsibilities relating to their individual services.

—The Secretary of Defense is responsible for timely transmission of “critical intelligence,” as defined by the DCI, from the field to higher authorities.

—NSA acts as the central communications security authority for the USG and conducts research and development to meet the needs of the government for signals intelligence and communications security.

*c. The producers of “finished” intelligence*

—CIA, under the supervision of the DCI, produces (current, basic and estimative) national intelligence including foreign political, economic, scientific, technical, military, sociological and geographic intelligence, designed to meet the needs of the President, the NSC, and other elements of the USG. The production elements of other intelligence agencies contribute to and are consulted or coordinate, as appropriate, in their areas of responsibility.

—*Bureau of Intelligence and Research* produces departmental analytical intelligence (current and estimative) in direct support of the State Department’s conduct of foreign affairs and conducts an external research program. As time permits, inputs are prepared for national analytical products.

—DIA produces departmental intelligence for the Secretary of Defense, the Joint Chiefs of Staff, the military services and field commanders and, as appropriate, non-Defense agencies. This includes current, estimative and research products on military and military-related topics, including scientific, technical and economic subjects. Inputs are prepared for national analytical products.

—The *Military Services, Departments and Commands* issue a large volume of intelligence publications in support of their particular missions. This material does not circulate widely in the national community, but the analysis performed by the various service research centers (e.g. the Air Force’s Foreign Technology Division) is often used in national-level publication.

—The *Treasury Department* intelligence unit produces as appropriate products designed for specific departmental responsibilities.

—*ERDA’s* intelligence unit produces reports primarily for internal use and provides appropriate inputs for national intelligence products.

The National Security Council is charged by the National Security Act of 1947 and E.O. 11905 overall guidance and direction to the development and formulation of all national intelligence activities. Historically this has been accomplished by (a) direct written and/or oral communications between the DCI and the President (b) the issuance of National Security Council Intelligence Directives which define the basic duties, responsibilities and division of labor between the departments and agencies (these chartering documents were to be updated within 90 days of the issuance of E.O. 11905 in February 1976, a process which was not completed by the Ford Administration and has been held in abeyance pending the outcome of PRM/NSC-11) and (c) through NSC Committees.

Lacking a single central authority short of the President and given the multiplicity and diversity of interest involved, a collegial or committee approach has been taken on the major aspects of community management.

Power, authority and responsibility are shared among groups of interested parties as indicated in Figure 4. Actual line control is, however, exercised within departmental chains of command and can override community collegial decisions.

[Figure 4 (1 page) not declassified]

—The NSC's *Policy Review Committee for Intelligence* (PRC/I), chaired by the DCI, is mandated review resource needs, controls budget preparation and resource allocation, and establishes policy priorities for collection and production as well as for the management of the National Foreign Intelligence Program. The DCI's Intelligence Community Staff provides staff support.

—The NSC's *Special Coordination Committee for Intelligence* (SCC/I), chaired by the Assistant to the President for National Security Affairs, reviews and makes recommendations to the President on covert action programs and sensitive intelligence collection operations.

—The *National Foreign Intelligence Board*, (NFIB), chaired by the DCI and including the heads of the major intelligence agencies, acts as a general advisory body to the DCI on priorities, requirements, and national intelligence production.

—*DCI Interagency Committees* exist for the development and prioritization of requirements for signals intelligence, imagery and human source collection.

—The DCI, through his Intelligence Community Staff, provides general planning and policy guidance, including requirements for future capabilities to produce, process or collect and the individual departments and agencies devise more detailed specific planning documents for implementation.

*A. Modification of E.O. 11905*

One approach is to accept the present structure of the Intelligence Community and the management arrangements set out in E.O. 11905 making only those changes that will improve the ability of the community to coordinate its activities and reflect the procedural problems of the last year (see separate Attorney General Subcommittee Report) without a major shift in responsibilities. The current operation of line control, resource management, production entities, requirements formulation, and planning guidance would remain largely unchanged. E.O. 11905—as modified—would then become the basis for the Administration's legislation proposals. This course is reasonable if one believes:

- Present arrangements provide about the right balance between central and distributed authority in the Community;

- The present collegial process of resource management at the Community level offers an acceptable means of maintaining the responsiveness of the Community to several major consumers at the national and departmental levels, while achieving reasonable efficiency in the allocation of intelligence resources;

- The performance of the Community under the present management system can improve substantially as its procedures become more familiar and its participants more experienced.

If the status quo is, in the main, acceptable, there is merit, nevertheless, in amending E.O. 11905 in several aspects relating to Community management.

- It should be made clearer just what the PRC(I) is responsible for in developing management policy, controlling and reviewing budget preparation and resource allocations, and establishing policy priorities for collection and production; the DCI's roles similarly require more specificity relating to his responsibilities for policy, requirements, and priorities relating to national intelligence collection and production, under the guidance of the NSC, and with the advice of NFIB or such supporting mechanisms as may be created.

- One year's experience under E.O. 11905 indicates that the order's specific provisions for reaching program and budget decisions require clarification. Otherwise, unproductive tension over procedures and authority, particularly between OSD and the IC Staff, is inevitable.

There are two basic alternatives. The first would in practical terms augment the authority of the PRC(I), the DCI, and the IC Staff (Option 1). The second would protect the ultimate authority of departments with resources in the NFIP, particularly the authority of the Secretary of Defense (Option 2).

*Option 1: Enhance PRC(I) and DCI Resource Management Authority By Removing Ambiguities*

This option would modify the status quo (EO 11905) by (a) strengthening the DCI-White House-DoD-State collegial resource allocation system (PRC/I) with additional limitations on the flexibility and prerogatives of individual departments/agencies and (b) establishing either the DCI alone (Option 1A) *or* the PRC(I) collegially (Option 1B) in a position of primacy in establishing management policies for all national intelligence activities and setting policy priorities for collection and production. It would:

- Make clear that the PRC(I) reviews, approves, and amends the NFIP, as a whole and at a level of detail it deems appropriate; it submits the program and budget through OMB to the President.

- Make clear that PRC(I)-approved NFIP program and budget decisions are “fenced” against alteration by program managers and their departmental or agency superiors. Departmental efforts to alter the impact of PRC(I) decisions on their programs are expected to be rare and made only through explicit appeal first to the PRC(I), then the NSC, and finally, as a last resort, to the President.

- Give the IC Staff, on behalf of the PRC(I), specific responsibility for and authority to monitor the implementation of PRC(I) decisions.

- Clearly authorize the PRC(I) and the IC Staff to deal directly and candidly with national intelligence program managers in departments and agencies, regardless of location, on program and budget matters, to gather data, conduct studies, examine resource options, etc.

- Oblige the PRC(I) to conduct as soon as possible a thorough review of all intelligence and intelligence-related activities of the government to establish, with some prospect of stability, the scope and contents of the NFIP.

- Give the DCI primacy in the production of all national intelligence, including unambiguous authority to task the various departmental analysis centers to contribute to his national production efforts.

- Empower *either* the DCI (Option 1-A) or the PRC(I) (Option 1-B) to set all policy priorities for the collection and production of National intelligence and for the management policies for the NFIP.

- Provide authority to prioritize collection requirements and task collection systems by mechanisms which ensure responsiveness to his direction, and create advisory groups, such as the existing National Foreign Intelligence Board structure, to help him discharge his assigned functions.

While leaving the PRC(I) process fully collegial in character, these kinds of changes to E.O. 11905 would add considerably to its authority in resource allocation and enhance the leading role of the DCI and his Intelligence Community Staff. The scope for disagreement about processes/procedures that in the past detracted from substantive

review would be constricted and the principals would be more inclined to concentrate on cross-departmental issues. In the areas of national intelligence production activities, the DCI would rule supreme.

By the same token, such measures would more clearly compromise the present statutory responsibility of departments to manage their own programs and budgets. Within Defense, they would make more difficult a complete cross-Defense rationalization of national, departmental, and tactical programs. None of these measures would in themselves ease the difficult task of finding analytic methods for relating long-term intelligence needs to programs and budgets on a thoroughly cross-program or intelligence-wide basis. Efforts in this direction would be possible and encouraged. But the ease and practicality of dealing directly with the details of sensor-oriented programs under this regime could well continue to distract attention from more comprehensive analysis of the NFIP.

*Option 2: Enhance Departmental Authority under Collegial Review*

This option would modify the status quo (E.O. 11905) by strengthening individual departmental authority in resource allocation through change to the present DCI-White House-DoD-State collegial allocation system (PRC/I). The PRC(I) authority to establish policy priorities for collection and production as well as for management of the NFIP would be terminated. More specifically, this option would:

- Make clear that PRC(I) decisions are *not* “fenced” against alteration by departmental or agency authority. This option would also clearly affix responsibility, not for all intelligence, but for the bulk of it currently in the Department of Defense, in OSD. It would, in effect, give OSD the power to ensure that all items of resource interests were addressed. It would have the responsibility and the associated authority to translate DCI requirements and guidance into concrete financial terms.

- Stipulate that department heads may determine the means and extent of access by the DCI and his staff to departmental programs with respect to resource issues. This would not preclude the direct access permitted in Option 1, at departmental discretion, but would recognize departmental authority to control it.

- Give to department heads greater flexibility to determine what program elements are to be included in the NFIP and thus subject to thorough PRC(I) review, with the DCI able to appeal such decisions to the NSC or the President.

- The PRC(I) would provide for final program and budget review to check departmental staff excesses and to ensure that resources were aligned with DCI requirements. It would be the responsibility of the DCI, as Chairman of the PRC(I), to appeal disputes to the NSC and

the President. The IC Staff would have the task of ensuring that Defense, CIA, and non-DoD component budgets were in line with requirements and relatable to DoD's resources.

This regime need not in principle lead to substantially different kinds of interactions than those of the first option, since the process would remain collegial and depend, in both cases, on the cooperation and common purposes of the participants.

It is not immediately obvious that the two options would lead to different resource decisions. It is clear, however, that in the second case the Secretary of Defense, managing the substantial majority of NFIP assets, would find it easier to serve Defense's intelligence interests and to assess all DoD intelligence resources across national, departmental, and tactical areas within Defense, although CIA's capabilities are not necessarily related. The DoD would have a heavier obligation itself to reconcile its views and interests with those of the entire Community. This second option would increase emphasis on the DCI's need for better and more precisely defined requirements in resource relevant terms that would not provide for wide-open OSD control.

Hopefully, the PRC(I) mechanism might then be encouraged to concentrate its attention on larger and longer-term resource issues spanning the whole NFIP. Through expert staffing and judicious appeals to the NSC, the DCI could still have considerable influence on departmental program and budget decisions.

Under the second option, however, it is quite possible that the PRC(I) process would dwindle to an essentially toothless advisory role to the departments. On the other hand, the first option has the advantage that all major national intelligence components are reviewed at one point, although it does not confront tactical-national interrelationships. By being in closer proximity to consumers and producers of national intelligence, the first has a better chance of success of initiating the necessary interaction between consumer needs for national intelligence resource demands, relating these to requirements, and assuring that cross-program trade-offs among national capabilities are made explicit.

### *B. Restructuring Options*

The following options scrap the DCI-White House-DoD-State collegial (PRC(I)) system entirely. They represent basic structural changes to the Intelligence Community by changing degrees of line, resource, management, and tasking authorities. This course is appropriate if one assumes:

—Greater centralization of authority and responsibility over the diverse elements of the Intelligence Community is required.



—That setting forth various means for accomplishing increased centralization while retaining mandatory and responsive service to a broad range of consumers is needed.

—The present authority of the DCI is *inadequate* for the responsibilities assigned.

—The DCI's current control of CIA and of the national tasking mechanism and chairmanship of the collegial resource allocation structure are judged to fail to provide the necessary responsiveness from the Intelligence Community to his direction.

There is a strong consensus that the potential resource savings to be achieved by creating a single comprehensive National intelligence analysis center serving all consumers is more than offset by the inherent danger that differing judgments and perspectives would be suppressed and denied to the users of intelligence. For that reason none of the suggested options include centralization or other significant intrusion on the continued existence of viable competitive centers of analysis.

*Option 3: Provide DCI Modified Authority Now Given to PRC(I) for Resource Allocation*

This option would give the DCI alone much of the authority now exercised by the PRC(I), would provide for strong DCI leadership in National requirements, collection and production, as in Option 1, but would permit reprogramming flexibility to the departments by not fencing budgets, similar to Option 2. No other structural changes are involved. This option would be considered if one believes that the DCI should focus on the production of National intelligence, requirements, close supervision of CIA, and only macro aspects of resource management, permitting more freedom within departments to adjust internal priorities. Specifically:

—DCI authorities in national intelligence collection and production would be as in Option 1.

—Resource allocation authority would be modified to delete the PRC(I).

—Assigns the DCI authority to select elements to be included in the NFIP (subject to departmental appeal to NSC) and to review, amend or veto expenditures which he did not consider appropriate or responsive to national intelligence requirements.

—The resulting NFIP would *not* be fenced, and departments could make trade-offs against departmental non-intelligence programs, subject to DCI appeal to the NSC and the President.

The success or failure of this option in improving on existing mechanisms would depend to some degree on the quality and expertness of the DCI's supporting staff and the extent of cooperation provided by the departments. It would restore to the DCI undiluted resource



allocation authority over the CIA. As in Option 2, the Secretary of Defense would be responsible to assess trade-offs between national, departmental, and tactical areas, with a heavy obligation to rise above Defense interests, with DCI concentration on larger and longer term cross program issues. This diminution of power, however, as in Option 2, could easily put the DCI in an advisory role.

*Option 4: Full DCI Authority Over Resource Allocation to National Intelligence Entities*

This Option provides substantial additional authority to the DCI over Option 3 by providing for his direct resource management control of the entire NFIP. No other changes to the current structure are included. Variations to this Option would remove the DCI's responsibility for the day-to-day detailed management of elements of CIA, establishing a separate new Director of CIA under the general line control of the DCI, who derives his direct support from the IC Staff and NIOs (Option 4A), or establishes DCIA line control under NSC, SECSTATE or SECDEF (Options 4B, C, D) or disband CIA and add CIA's analytical element (DDI) to the DCI's immediate organization, reassigning collection (DD/S&T, FBIS, DDO) and other remaining CIA elements to other departments (Option 4E).

*If one believes that the principal problems of the community are related to absence of a single focus for resource management, but that other aspects of production and collection are adequate, choosing basic option 4 provides for:*

—Substantially enhanced authority by giving the DCI direct program and budget authority over all elements of the National Foreign Intelligence Program as identified by the NSC.

—The NFIP would be so restructured to eliminate those elements primarily involved in departmental and tactical intelligence, whose program/budgets would still be subject to DCI review. If department heads disagreed with DCI resource allocation decisions they could appeal to NSC/President.

—Day-to-day operations of the intelligence elements would continue as presently aligned.

—Substitution of DCI authority for the existing collegial mechanism to answer Congressional concern about the absence of a single focus for resource allocation.

This option should cause no immediate impact on responsiveness of intelligence elements to their parent departments and would permit early enhancement of the DCI authority without awaiting legislation. While there is no guarantee that the DCI would provide the necessary resources to retain the responsiveness needed by the Secretaries of Defense and State, they could exert influence, if needed, through their NSC role. Further, it intrudes on established statutory Departmental

lines of authority and responsibility, which impacts on current Departments' relationships with Congress. New statutory legislation would be needed to eliminate the resultant ambiguity. There could be a tendency to draw a greater degree of the DCI's attention toward the resource allocation function, at some cost to the detailed supervision of CIA and his direct involvement in substantive intelligence matters and role as senior intelligence advisor to the NSC and President. There is a view that addition of this resource allocation authority alone would not be sufficient to establish a routine which makes all elements of the Intelligence Community satisfactorily responsive to the DCI, and that line authority over at least some of the elements is also necessary.

*If one also is concerned over the DCI/CIA relationships, the variations to the basic Option 4 (4A–E) would respond to the arguments of those who see the DCI's line control of CIA as a source of favoritism and a conflict of interest in his role as leader of the Community. These variations, while cited under Option 4, could be applied to any option for which this concern is prevalent. Supervision of the CIA and its Director would be vested in the NSC, SECSTATE or SECDEF.*

*Under Options 4A–D the DCI would continue to exercise his major roles as national producer, Community leader, and principal advisor largely through direct access to the President. But the DCI's ability to translate this access into effective community National intelligence production could be weaker than at present because:*

—A small national estimates staff would not give the DCI the kind of support in analysis and production now supplied by CIA's DDI. (This problem might be alleviated by assuring the DCI the power to task CIA, DIA, and INR directly in production areas.)

*The variation to disband CIA (4E) would result in transfer of the analytical element (DDI) to the DCI's immediate family to enhance the direct analytical support lost in the previous variations. Additionally:*

—CIA's national technical collection programs in DD/S&T and NPIC would be transferred to DoD, FBIS would be transferred to the State Department.

—The Clandestine Service of DDO would be subordinated to the NSC, State, or Defense.

This option would create a much stronger senior national intelligence authority in the area of production than would previous variations. It would also resolve the "conflict of interest" problem that argues for separation of the DCI from CIA in the collection area and would satisfy the desire of some to see a clear institutional separation of national intelligence analysis and production from collection, particularly clandestine human collection. Very importantly, option 4E would facilitate the interchange between national intelligence producers and the resource allocation process.

The attributes, both favorable and unfavorable of this option, would be:

- A strong senior national intelligence authority with ability to concentrate on analysis and production, and sufficient influence over collection activities and programs to meet major production needs.

- A national analytic competence under the DCI that is not institutionally tied to collection could attract more competent and qualified analysts and could improve its ties to academic, business, and foreign sources of information and expertise.

- Integrating CIA's national technical collection programs with like elements in the DoD would allow for more efficient management of these programs within a single department. Use of reconnaissance satellites for military support would be eased. But some would argue that the sensitivity of these crucial programs to interests outside DoD would necessarily decline under this option.

- Choosing how to subordinate the Clandestine Service is a serious problem under this option. Subordination under the NSC and the President would replicate the arrangements seen in many advanced countries, but it would raise doubts about the ability of this arm to avoid improper demands in some future period. [7 lines not declassified]

- DoD control of the Clandestine Service would facilitate balancing its role with that of major technical collection programs, but it could degrade its primary focus on political reporting. In some eyes, DoD subordination could raise the specter of a potential combined military and secret service threat to US political institutions.

*Option 5: Enhanced DCI Resource Allocation Authority Plus Line Authority Over National Collection Programs*

In addition to broad program and budget control established in Option 4, the DCI would assume line authority (day-to-day operational control) over the National Security Agency (NSA) [1 line not declassified] with SECDEF providing requisite support from DoD assets at DCI request. Variations of this option would separate the DCI from CIA as in Options 4A–E, with relatively similar impact (Options 5A–E).

If a very strong DCI is desirable, this option would develop the requisite loyalties to the DCI which would ensure that the national collectors concentrate on DCI problems, and it permits holding the DCI accountable to ensure the Community is properly responsive to all users.

The pros and cons of this option are that:

- Responsiveness to the DCI is virtually guaranteed.

- There is singular accountability through a rigorous balancing of responsibilities and authorities, however this could conflict with the need for effective mechanism for interagency coordination and cooperation.

—There is potential for savings through DCI total responsibility, resource and line, over National systems.

—Problem areas introduced by this option include how the unity of the existing U.S. SIGINT system could be maintained [*1 line not declassified*] and how sufficient responsiveness can be assured in crisis and war to the command responsibilities of the Secretary of Defense and the field commanders.

—National collection assets are essential to the conduct of military operations, and their effectiveness in combat support is almost directly proportional to the extent they are integrated into the military command and control system at all echelons; and

—The national assets themselves are critically dependent on Defense-operated support activities, and efficient integration of intelligence collection with support activities can best be accomplished within Defense.

—It is debatable whether the DCI needs line authority over submarines, airplanes, space launch and satellite control facilities in order to produce quality intelligence for the President and the National Security Council. Some argue that it makes more sense to have both the intelligence collection facilities and their support facilities operated by SEC-DEF as a “service of common concern,” just as the DCI operates the clandestine services or provides National intelligence.

*Option 6: Complete Restructure Intelligence Community (except Departmental analysis and other Departments’ Intelligence activities) under line authority of a DFI*

This option would be favored by those who not only support Option 5 for its singularity of responsibility, but also feel that greater emphasis should be placed on management by functional lines. While there are many variants of this approach, two are described to portray the concept.

*Under Option 6A*, assisted by three Deputies (for National Intelligence Production, Resource Allocation, and Collection), the Director of Foreign Intelligence (DFI):

—Tasks, allocates resources and operates an Intelligence Analysis and Production Agency (NIPA) composed of present NIOs and CIA/DDI; a Clandestine Services Collection/Operations Agency (CIA) composed of present CIA/DDO and supporting elements of DD/S&T; a unified SIGINT Collection Agency (present NSA); an Intelligence Space Support Systems Agency (ISSS) (composed of present [*less than 1 line not declassified*] and supporting elements of DD/S&T); and provision would be made to integrate the [*less than 1 line not declassified*]

—Retains resource allocation and tasking authority over DoD intelligence elements identified as part of the National Foreign Intelligence Program, and reviews other intelligence elements.

—DFI is responsive to SECDEF needs for timely support from all his elements in crisis and war.

This option places greater emphasis on management by functional lines, stressing continued diversity in analysis by maintaining separate centers while concentrating on reducing redundancy in collection regimes. The ability of the staff supporting the DCI would be critical in ensuring that this greatly centralized structure was properly responsive to the needs of the Departments.

*If one concludes that a DCI with this degree of centralized authority should become subject to accountability to a “Board of Directors” the following variant could be applied. The DCI presents his management, program, and budget to the NSC Special Coordination Committee with issues as is done today by individual program managers to the PRC(I), but at a more “macro” level, with the SCC reviewing, guiding and approving. This variant is a possibility, of course, for any restructuring option. In any case, there is the potential for Congressional and media concerns about the absence of checks and balances without such a variant.*

For Option 6B, in addition to those elements assigned in Option 6A, those elements remaining in DoD which substantially contribute to National Intelligence collection would be integrated into DFI agencies. NIPA would still consist of NIOs and CIA/DDI, and provide a national intelligence data base accessible to all consumers. Army and Air Force HUMINT activity would be integrated with CIA. SECDEF would manage the Defense Attache System IAW DFI directives.

This option maximizes efficient use of resources with heavy emphasis on management along functional lines and absence of duplication. But one man’s duplication is another’s insurance. The SCC variant applies equally to this option.

*Option 7: Separate substantive national intelligence and resource allocation functions, assigning former to DCI and latter to SECDEF*

This option retains present institutional structure and subordination, vests the responsibility for setting requirements and priorities, and production of National Intelligence with the DCI, and holds the SECDEF responsible for resource management of the NFIP, with review by the NSC Special Coordination Committee. This option would be appealing to those who see the need for “creative tension,” to focus sharp definition and thorough examination of programmatic issues. Specifically, this option will provide for:

—Secretary of Defense review and integration of all NFIP program elements into a consolidated program in response to requirements and priorities as set by the DCI.

—Retention of the present Community organizational structure.

—The DCI as the head of CIA, the producer of national intelligence, and the President’s principal advisor on national foreign intelligence.

—DCI Community leadership roles in the areas of production and collection requirements and priorities development.

—Secretary of Defense management of the process of allocating resources among NFIP elements as a “service of common concern” for the NSC and the DCI. It would be his responsibility to fit the non-defense intelligence elements of the NFIP into a rational whole, 80 percent of which is now in Defense; he would therefore review the intelligence programs of CIA, INR, ERDA, Treasury, and FBI and integrate them with his own in terms of resource trade-offs (alternatively, the latter four could be removed from the NFIP).

This option would alter little in the affairs of today’s Intelligence Community except the programming and budgeting of resources. In this area it could create or allow for varied management situations.

Insofar as the DCI issued precise requirements and priority guidance to the Secretary of Defense as NFIP “program manager” or coordinator, the DCI would have considerable influence over the entire resulting program. The Secretary of Defense would then be essentially free to reconcile the guidance of the DCI on national needs with the needs of DoD and tactical commanders that affect most intelligence programs.

It would be the responsibility of the Secretary of Defense to conduct thorough analysis on how best to balance resources among national and other DoD intelligence efforts, to build, and to defend the resulting program. The DCI would concentrate on the needs of production and the demands of clandestine operations. The DCI would maintain sufficient staff support to assure some knowledgeability as to major programmatic choices. The Secretary of Defense would present the program and budget to the SCC as described in the variant to Option 5 for review and approval.

The situation described above could provide for fairly tight and orderly management of national intelligence resources. It is, however, not devoid of potential for tension between the DCI and DoD; among men of good will, this could be “creative tension” conducive to sharp definition and thorough examination of programmatic issues.

This option could lead to another situation, however. In order to minimize strife, the DCI and the Secretary of Defense might respectively take a fairly relaxed view of the programs not directly subordinate to them. The DCI might tend to accept DoD-run programs with a minimum of scrutiny so long as they seemed to meet his needs. The Secretary of Defense might choose to accept the CIA and other programs with only perfunctory review. This would return the matter of Community resource management essentially to the conditions of the mid-1960s. Much would therefore depend on the rigor which the Secretary of Defense applied to program review across the board and the care with which the SCC and DCI monitored and critiqued the DoD role.



*Option 8: Centralize all NFIP activity under SECDEF*

This option provides the DCI with essentially all of the powers of Option 5, but under the SECDEF. If one views intelligence as a service of common concern which could be adequately provided by the Secretary of Defense, then this option could be considered. In this option:

—DCI serves as DEPSECDEF/Intel with direct access to the President and other members of the NSC, operating all elements of the NFIP under direct President-SECDEF-DSD/DCI line and resource authority.

—CIA could continue to exist as a separate agency reporting to DSD/DCI as would DIA, NSA, etc.

—Some restructuring of existing agencies along functional lines could occur.

This option does not retain the degree of production federalism stressed in previous options, and would undoubtedly raise fears in the media and Congress that the military had “taken over” the national intelligence structure. This could be somewhat offset by shifting some of the existing CIA/DDI analytical capability to State (INR) and concentrating on two competing analytical centers.

*IV. Other Solutions*

Organizational changes may resolve some of the problems associated with the management and operation of the Intelligence Community but there are other important problems that will be virtually unaffected by structural change. Irrespective of the decisions on Intelligence Community reorganization, the perennial problems identified below require sustained and creative attention by intelligence managers acting in response to NSC general directives and their progress should be reflected in periodic reports to the President.

*A. Producer/Consumer Relationships*

More effective measures must be devised to ensure that analytical intelligence products meet the requirements and priorities of intelligence consumers at all levels. Consumers as well as producers of intelligence bear this responsibility. A mechanism to ensure explicit and disciplined positive input and review from consumers on a periodic basis should be established. Consumers with special problems must have effective ways of relating to the Intelligence Community. For instance, organizations such as ACDA, with its increasingly important and unique requirements for verification of agreements, and the Drug Enforcement Administration, with responsibilities for intelligence related to illicit traffic of drugs, should have more effective ways to communicate with the Intelligence Community.

*B. Analytical Versatility*

A stronger and more versatile national intelligence analytic capability is necessary to fill the serious gaps in anticipatory analysis and

to produce improved longer term estimates. High quality national intelligence inputs into the Presidential Review Process should be emphasized. Management initiatives, including innovative personnel practices and plans, advances through research in forecasting and methodology, quality control and improved product evaluation, are all required.

### *C. Communications and Reporting*

While planners and analysts face a shortfall of facts and timely receipt of all relevant information, policymakers are swamped with a plethora of intelligence reports. Measures should be taken to:

- Assure that departmental barriers to the free flow of relevant data are removed, including compartmented, “NODIS” and “SPECAT” information.

- Insure efficient and timely interchange of information amongst producers, consumers, and data bases. This mechanism must provide for interchange of all relevant information collected by *non*-intelligence agencies to aid in the analytical process.

- Eliminate unnecessary production duplication.

### *D. Collection Tasking*

The inability of the requirements process to orchestrate intelligence collection in a timely and responsive manner across the basic collection disciplines must be resolved. An effective mechanism which synergistically applies all relevant collection resources to the intelligence targeting problems should be created.

### *E. Crisis and War*

A mechanism must be developed and implemented to assure that national intelligence collection management can effectively transition from peace through crisis to war. The long debate about this problem should end and action begin. The NSC should review and approve one of the following basic approaches:

1. In wartime, the Secretary of Defense should manage the collection requirements systems for all assets that can support military operations.

2. The DCI should manage those systems as a service to the military command hierarchy, taking his requirements from the latter.

3. Management of some critical assets should be transferred to Defense, depending on the system and the conflict scenario.

As noted in the DCI’s Part II report on PRM/NSC-11, while any of these approaches could work, it is unlikely that any of them would work well until we establish in greater detail what national intelligence



collection management really means in a wartime context and build working mechanisms appropriate to that understanding.

#### *F. Relating Requirements to Resources*

—*Collection*: The Intelligence Community must develop and implement a “calculus” that more explicitly ties together the basic system-independent intelligence requirements, (e.g. KIQs, DCI Perspectives) to the more detailed system-oriented collection requirements and associated costs in a manner that permits more rational trade-offs among intelligence collection approaches on the basis of incremental value.

—*Cross Program Issues*: There is also a need to establish cross-cutting review mechanisms to assess the marginal gain of resource variations between and amongst collection, processing and production disciplines. This is necessary to answer such basic questions such as: “Is the macro balance appropriate among the three?; Is there proper resource emphasis on political or economic vs. military questions?”; “How can we improve intelligence reporting on Africa?”

—*Performance Measurement/Evaluation*: Significant gaps in our ability to assess the utility of various resource allocation strategies exist because collection and production have no “grade card” which associates performance or projected performance against basic consumer needs. Effective means must be developed which facilitate objective measurement relatable to the resource management process. These same, or similar means must be applied to measure and influence the effectiveness of tasking of resources.

#### *G. Defense Intelligence Management*

Prior to the Presidential Directive of 1971<sup>9</sup> and the subsequent consolidation of Defense intelligence, no one was clearly in charge of the Defense intelligence effort; key elements neither cooperated effectively or were under suitable lines of authority to permit efficient trade-offs and long-term planning on a Defense-wide basis. Regardless of structural options considered, effective mechanisms must be established within the Defense Intelligence Community to assure effective and efficient integration into the national intelligence community.

#### *H. National/Tactical*

The failure of the CFI to come to grips with the charge to define what is and is not to be included in the NFIP can no longer be accepted. A thorough-going review with specific recommendations to the NSC,

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<sup>9</sup> See footnote 4, Document 35.

and to be implemented in the FY-79 budget submission for the NFIP, should be conducted.

*I. Relationship between NFIP and Intelligence-Related Activities of the Departments and Agencies*

In order to minimize duplication and maximize mutual support, substantive mechanisms should be established to assure a more systematic relationship between national intelligence programs and so-called intelligence-related activities.

*J. Public Trust and Confidence and Value of Confidential Service*

Resolving the issues secrecy raises in our open society requires a fresh analysis of what aspects of intelligence actually require protection, review of the concepts involved and careful examination of the kind of legislation needed. Oversight institutions must be institutionalized.

*K. Covert Action*

The present institutions for review of and procedures for control of covert action programs should be maintained, and perhaps put into statute. More attention should be given to developing a doctrine for covert action which reflects both the experiences of the past and the realities of the present.

*L. Counterintelligence*

It was noted in Section II that there is no national policy and no policy-level forum for foreign counterintelligence. Moreover, there is no comprehensive understanding of counterintelligence issues at the policy level. Counterintelligence is acknowledged as a major intelligence discipline, but even in intelligence circles it is only rarely discussed. Annex A to this report recommends the assignment of responsibility for development, coordination and oversight of national counterintelligence policy to the NSC's Special Coordination Committee (SCC/CI) chaired by the Assistant to the President for National Security Affairs.

**Annex A**<sup>10</sup>*Recommendation on Foreign Counterintelligence*

It was noted in Section II that there is no national policy and no policy-level forum for foreign counterintelligence. Moreover, there is no comprehensive understanding of counterintelligence issues at the policy level. Counterintelligence is acknowledged as a major intelligence discipline, but even in intelligence circles it is only rarely discussed.

Senior officials have to deal with counterintelligence flaps—spies that have been caught, double agents that have disappeared—but, except for sporadic directives, such as the President’s recent instruction to the FBI to focus on anti-Castro terrorist groups,<sup>11</sup> counterintelligence priorities and the allocation of resources have been left to the individual agencies. There has been no policy-level forum in which to weigh the level of effort against the seriousness of the threat, to examine the implications of “friendly” intelligence service activities in the U.S., or to resolve conflicting policy considerations which allow identified Soviet and other hostile intelligence officers to enter and travel in the U.S. For the U.S. to effectively deal with foreign espionage, sabotage, covert action and terrorism requires an informed body of senior officials which will examine and come to understand the activity generically, and thus be in a position to develop national foreign counterintelligence policy objectives, oversee their implementation and assess their effectiveness.

*Establishment of a Special Coordination Committee (Counterintelligence)*

It is recommended that the NSC Special Coordination Committee assume responsibility for development and coordination of national counterintelligence policy. The SCC(CI) would be responsible for:

- formulation and review of foreign counterintelligence policy and objectives, oversight of their implementation and examination of their effectiveness;
- coordination of the interface between counterintelligence and foreign and domestic policy issues;
- exercise of national-level oversight for sensitive counterintelligence activities;

The Committee should be supported by a small, dedicated element of the NSC staff.

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<sup>10</sup> Secret.

<sup>11</sup> Not found.

*Definition and Jurisdiction*

As a first order of business the SCC(CI) should seek agreement on a definition of counterintelligence and on the activities which will fall under its responsibility. Some outstanding questions are:

- Does counterintelligence include terrorism?
- Should communications security and foreign-directed signals intelligence operations come under the counterintelligence umbrella?
- Deception is a neglected, but potentially valuable counterintelligence technique. While there are some low-level deception operations, its effective use as a national instrument requires policy-level consideration. Should the formulation of deception policy and the oversight of deception operations be a responsibility of the SCC(CI)?
- Standards and practices with respect to personnel, document and physical security vary as between agencies and departments. Lapses in these procedures have resulted in the compromise of highly classified information. While the Intelligence Community prefers to deal with “security” programs separately, they are aimed at protecting the U.S. from hostile intelligence activities, and there is rationale for placing them, in some manner, under the jurisdiction of the SCC(CI).

*Membership of the Committee*

The membership of the SCC(CI) should include the FBI, CIA, Department of Defense, Department of Justice, Department of State and the Assistant to the President for National Security Affairs. The FBI, CIA and Department of Defense because they are action agencies for counterintelligence; the Department of Justice because in the U.S. there is an organic relationship between law enforcement and counterintelligence and because the experience of the former OAG and the SCC(I) demonstrates the advisability of intelligence committees having a legal representative present; the Department of State because of the required coordination on counterintelligence overseas (NSCID-5, paragraph 6) and the necessity for coordination on certain cases in the U.S.

*Chairmanship of the Committee*

Presidential Directive No. 2 established the Assistant to the President for National Security Affairs as Chairman of the SCC.<sup>12</sup>

Because they are not sufficiently independent, and have operational responsibilities, both the DCI (because he is also the Director of CIA) and the Director of the FBI are ruled out as potential chairmen in any event. The Senate Intelligence Committee and the IC Staff have in the past recommended the Attorney General as chairman for any inter-

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<sup>12</sup> See Document 7.

agency committee on counterintelligence. In favor of this option is the respect accorded the Attorney General by both the intelligence community and those who fear possible abuses. Attorney General chairmanship in the eyes of the public would assure that counterintelligence activities and policy would be lawful and proper. On the other hand, the Attorney General's supervisory responsibility for the FBI (the Government's primary counterintelligence agency) is somewhat analogous to the DCI's responsibility for the CIA. As the chief law enforcement officer of the Government, the Attorney General's oversight role with respect to intelligence activities and FBI guidelines could appear to be compromised if he were to assume the chairmanship of a policy committee dedicated to efficient and effective counterintelligence. Finally, there is no existing natural independent staff support available to him in the role of chairman.

Chairmanship by the Assistant to the President for National Security Affairs would substantially fulfill the criteria of prestige and independence. While this position has no line authority, the close relationship to the President and the unique role of the NSC would enable the Assistant to command the requisite authority when necessary. Chairmanship by the Assistant would naturally suggest staff support for the SCC(CI) from the NSC staff, and would assure that the staff was independent of individual agencies. On the other hand, because of the Assistant's wide-ranging responsibility for national security, his chairmanship might not bring with it the same public reassurance as would the chairmanship of the Attorney General.

Chairmanship by an independent DCI with community-wide responsibilities would seem logical and he would have both the expertise and staff support required. It would mean, however, that for the first time the DCI would be given a certain measure of responsibility for domestic secret intelligence activity and this would require legislation. Such legislation at this time would be difficult and would inevitably give rise to public apprehension.

**42. Memorandum From Director of Central Intelligence Turner to the President's Assistant for National Security Affairs (Brzezinski)<sup>1</sup>**

Washington, June 1, 1977

SUBJECT

PRM/NSC-11, Task 2 Report

1. Submitted herewith is the subject report as directed by the President. I believe it provides an instructive overview of the functions, powers, and problems of the Director of Central Intelligence (DCI), particularly in his role as leader of the Intelligence Community.

2. On the basis of my past experience and all I have learned since becoming DCI, I have formed some strong views on what is needed in the way of improvements to Community structure and to DCI authority to make the Community more effective and efficient, and to assure that its activities are demonstrably proper. I have expressed such views in this report.

3. Not surprisingly, there are those who differ sharply with some of my views. Representatives of the Department of Defense, in particular, take exception to some of them in the attached report. Secretary Brown and I have had an extensive and constructive exchange on these matters. I believe the time has come to submit them to the test of review and debate in the Special Coordinating Committee.

**Stansfield Turner<sup>2</sup>**

**Attachment**

**Report Prepared by the Ad Hoc Interagency Subcommittee on the Role of the Director of Central Intelligence<sup>3</sup>**

Washington, undated

*The Roles of the DCI and U.S. Intelligence: An Organizational Analysis*

[Omitted here is a table of contents.]

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<sup>1</sup> Source: Central Intelligence Agency, Office of the Director of Central Intelligence, Job 97M00248R: Policy Files, Office Level and Above, Box 1, Folder 14: PRM 11—Intelligence Structure and Mission (Folder 3). Secret; Handle Via Talent-Keyhole Control System Only.

<sup>2</sup> Printed from a copy bearing a stamp that indicates that Turner signed the original.

<sup>3</sup> Secret; Handle Via Talent-Keyhole Control System Only.

*FOREWORD*

In PRM/NSC–11, the President directed a comprehensive review of the missions and structure of United States intelligence entities with a view to identifying needed changes. As part of this review, the Director of Central Intelligence (DCI) was directed to chair an inter-agency subcommittee of the Special Coordination Committee (SCC) of the National Security Council (NSC) to analyze his own role, responsibilities, and authorities.

This subcommittee was comprised of representatives of the DCI (Central Intelligence Agency, National Intelligence Officers, and Intelligence Community Staff), the Defense Department (Office of the Secretary of Defense and the Joint Chiefs of Staff), the Department of State (Bureau of Intelligence and Research), and the NSC Staff.

Specifically, the PRM/NSC–11, Task 2, called for a report that reviews “the responsibilities and powers of the DCI in his role as Foreign Intelligence Advisor to the President, central authority for the production of national intelligence and manager of the national foreign intelligence program and budget. This examination should include an analysis of the mechanisms for:

- planning, evaluating, and improving the Intelligence Community performance;
- identifying intelligence requirements and tasking all sources;
- processing, analyzing, producing and distributing intelligence for anticipated activities, warning, crisis support, current and estimative intelligence and net assessments;
- evaluating intelligence production performance.”

Because this report is devoted, as tasked, to the roles of the DCI, who is but one of several senior authorities responsible for the activities of the Intelligence Community, it cannot completely treat the roles of other such authorities. Representatives of the Department of Defense (DOD) believe this is particularly the case regarding the roles of the Secretary of Defense, who manages nearly 80 percent of the financial resources of the National Foreign Intelligence Program, who is executive agent for several major intelligence programs of great importance to national as well as to DOD’s intelligence concerns, and whose principal functions require intimate involvement in national intelligence affairs.

DOD wishes, further, to state the following: It should finally be noted that the text was changed in many respects at the direction of the DCI after the last Subcommittee meeting.<sup>4</sup> In DOD’s view, these changes serve to make this report principally a vehicle for the expres-

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<sup>4</sup> Not further identified.

sion of the DCI's views on the changes he believes are appropriate in the Intelligence Community structure. DOD also believes that the Executive Summary does not represent a balanced presentation of the main text.

### *EXECUTIVE SUMMARY<sup>5</sup>*

Intelligence is a diversity of collection and production organizations serving a variety of customers with varying needs from the President down to military commanders and diplomats in the field.

—The Central Intelligence Agency (CIA) and the position of the Director of Central Intelligence (DCI) were created to afford a degree of unity amid this organizational diversity.

—The roles of the DCI and of the other officials with whom he interacts in this federated community of organizations evolved, and the size and diversity of US intelligence have grown over thirty years.

—The Department of Defense (DOD) retains a very large role in US national intelligence affairs, with management custody of some 80 percent of the National Foreign Intelligence Program (NFIP) budget, including major national technical collection programs; and DOD has major specialized intelligence needs in the areas of force and weapons development and tactical operations.

In recent years, largely as a result of the Community's size and diversity, questions have arisen about the adequacy of the organization and management of the Intelligence Community and of the role which the DCI plays within it. The key structural questions are:

—Whether the responsibilities of the DCI are clear and sound, particularly as they relate to intelligence entities within DOD.

—Whether the authorities and powers of the DCI are commensurate with his responsibilities.

Of the DCI's many roles, the most important are:

—Principal advisor to the President and the National Security Council on foreign intelligence matters;

—Producer of national intelligence;

—Leader of the Intelligence Community;

—Head of the CIA.

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<sup>5</sup> DOD does not concur in this Executive Summary. Note especially Page iv (FOREWORD) and Pages 58, 60, and 69. [Footnote is in the original. See footnotes 14 and 16 below and the last paragraph of the report.]



The first of these roles has important implications for Community structure.

—To the extent that there is a perceived need for someone to organize and manage the intelligence affairs of the US Government as a whole, there is a tendency to look to the DCI.

—In one view, held by the DOD, this tendency can lead to an unwise deepening of the DCI's involvement in the management of other agencies' intelligence affairs, and an unhealthy dilution of the DCI's primary substantive role.

—The DCI believes, however, that this tendency is both natural and legitimate. The resulting expansion of DCI responsibility can be appropriately handled through delegation of duties to subordinates.

The DCI's substantive role as producer of national intelligence originates with the duty given the CIA in the National Security Act of 1947 to "correlate and evaluate intelligence relating to the national security."

—Although there are weaknesses in this area, the DCI has significant power to remedy or alleviate problems; improvements are frequently more a matter of judgment and management attention than of authority.

—However, the DCI has little power over the departmental contributors on which the analysis and production of national intelligence so heavily relies.

The DCI's resource management responsibilities in the Intelligence Community have two time dimensions: the use of existing collection and processing resources to meet current and near-term intelligence needs; and the development of new resources to meet future intelligence needs.

—Centralized mechanisms for the guidance of major *current* collection activities exist at the national level, under the DCI, in the case of technical collection assets. DCI powers are strong and prescriptive in the area of imagery; somewhat less strong in the case of SIGINT. Many argue that difficulties here arise not so much from lack of DCI authority or from failings of Community structure, although the fragmented structure of the Community has helped to instill in each collection discipline a disposition to want to manage its own affairs with only general guidance. Frequently, difficulties are in defining problems and designing workable improvement mechanisms—for example, managing collection tasking during the transition from peace to war and assuring reliable cooperation between the Community and overt human source collectors outside of intelligence (e.g., in the Foreign Service).

—A greater challenge for US intelligence management is to develop the best overall mix of *future* capabilities needed to perform effectively

at reasonable cost. A fundamental problem is one that is common to other functional programs in government: the absence of a set of measures for assessing the value of outputs and the relative contribution of inputs in terms that find general acceptance and lead to confident decisions.

In his role as head of the CIA, the DCI has strong management powers, but the augmentation of the DCI's role as Community leader has been perceived, in recent years, to cause increasing tension between the two roles.

—Some in the Community see the DCI as bound to favor CIA in any Community deliberation on production, requirements, or resources in which CIA has an interest, and therefore argue for some degree of DCI separation from CIA.

—Others contend that part of the problem stems from the imbalance between the DCI's broad responsibilities and his more limited decisionmaking powers in the Community arena; this forces him into a position where he must appear to neglect the CIA to be effective as a negotiator in the Community. Those of this view tend to favor enhancing DCI authority over other Community elements.

Most of the DCI's other roles are subsidiary to these four primary ones and have fewer implications for Community structure.

—To help protect the security of intelligence sources and methods, past DCIs have sought new legislation to punish damaging disclosures of sources and methods information; other initiatives—such as reinvigoration of the classification system within the Community—are also needed.

—The DCI is a participant in US foreign counter-intelligence policies and activities; there is a clear need for a national level policymaking and coordinating structure in this area.

—As an officer responsible for the propriety of US foreign intelligence activities, the DCI has an Inspector General and the normal mechanisms for discovery and investigation of impropriety within CIA. Although charged under Executive Order 11905 to ensure effective Inspectors General in other agencies, he has little power to act on this charge and is generally not equipped to assure propriety in the behavior of agencies other than CIA.

—Occasional confusion about the DCI's responsibilities as coordinator of liaison with foreign intelligence services would appear to require some clarification in pertinent regulations.

—With respect to his role as principal spokesman to the Congress on national foreign intelligence, one of the foremost problems for the future may be to find a way in which the DCI can respond to the proper demands of Congress without jeopardizing Presidential prerogatives and DCI relations with the Executive.

—Regardless of the organizational configuration of the Intelligence Community, the DCI almost certainly will be expected to continue the trend toward greater openness and to accept a continuing role as public spokesman on national foreign intelligence.

Three basic criteria, especially pertinent to the roles of the DCI, can be used in assessing the adequacy of management and authority structures within the Community: propriety, effectiveness, and efficiency.

—In the view of DOD, these criteria, as discussed in this paper, do not fully address other criteria important to the roles of the Secretary of Defense, especially the need for adequate integration and interoperability of intelligence with military command and control.

Assuring the *propriety* of intelligence activities is not solely—or, in the view of some, primarily—a matter of Community structure or authority. It is a matter of political or constitutional standards, law and regulations, oversight, and professional ethics. The DCI cannot, at present, be held directly responsible for the actions of agencies which he does not directly command.

—Although legal responsibility for the propriety of intelligence operations runs from the President down through the line managers of the several intelligence agencies, the DCI believes that the President, the Congress, and the public expect him to act as virtual guarantor of the propriety of all United States national foreign intelligence activities below the President. In the DCI's view, his authorities to satisfy these expectations are now less than adequate, except in the case of CIA.

Improving the overall *effectiveness* of national intelligence production does not rest mainly on structural change or redistribution of management authority. Improvement requires problem recognition and steady management effort at all levels and in all producing agencies. But efforts to improve intelligence production do have implications for Community structure, and changes in structure sought for other reasons could affect the quality of intelligence production. Effective service to consumers requires a diversified set of producing organizations, some of which are directly subordinate to consumer entities, all of which are able to act in concert when required. The Intelligence Community today affords such a structure.

—The DCI believes that the diversified structure of the national intelligence production Community existing today is generally sound. In his view, however, more effective national intelligence production requires enhancing the DCI's authority to:

- a. Task Community production elements outside CIA for national intelligence production;
- b. Task national collection assets that lie outside CIA but support national intelligence production;
- c. Control the program management of the major NFIP elements.

—DOD disagrees with this view. It believes, moreover, that such enhancements of DCI authority could materially degrade the responsiveness of DOD collection and production elements to DOD needs.

Achieving the most *efficient* allocation of resources is mainly a matter of managing collection and processing resources, because that is where most of the money and manpower are. The challenge is to provide the necessary coverage of target problems and adequate service to consumers, while avoiding unnecessary effort and undesirable duplication.

—With regard to the management of current collection requirements, priorities, and tasking, the DCI believes that, notwithstanding his central role respecting technical systems today, enhanced DCI direct tasking or line authority over major national collection entities is essential to improve their responsiveness to all consumers and to eliminate the high degree of competitive overlap that presently exists.

—DOD disagrees with this view. It maintains that such enhanced DCI authority would probably work to reduce the responsiveness to DOD needs of those major collection entities within DOD.

Historically, programming and budgeting aspects of US intelligence resource management, as well as line control, have been largely decentralized, both in the Community as a whole and in DOD, where most of the resources reside. But pressures to centralize the process of managing those resources labeled “national” have been increasing for several years, culminating last year in Executive Order 11905.

—The programming and budgeting decision system initiated by Executive Order 11905 is essentially collegial (in the PRC[I])<sup>6</sup> and rests on the cooperative interaction of the DCI, departmental authorities, their staffs, and intelligence program managers. To a large extent, it places the initiative in the hands of program managers and outside critics. As a by-product, it places some strain on the dual roles of the DCI as a Community leader and as head of CIA. It also, as a practical matter, requires that departmental authority over departmental intelligence elements in the NFIP be compromised; the Executive Order does not eliminate the statutory responsibilities of the department Secretaries over their intelligence activities.

—Refinement of the programming and budget process created by that order is one way of enhancing the integrity of national intelligence resource management in the future; it has the significant virtue of an evolutionary approach that builds on existing organizations and accumulated experience. Better definition of goals and rules is desirable

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<sup>6</sup> Brackets are in the original.

to make the process of persuasion inherent in the collegial approach more constructive.

In deciding whether significantly to change this regime, several issues are relevant, such as:

- How much emphasis should be placed on efficiency as compared with other goals;
- What intelligence activities should be involved;
- How much and what kind of centralized authority is desirable?

The last question involves at least four conceptually distinguishable management activities: definition of requirements and priorities, and issuance of guidance; reviewing and vetoing Community programs; controlling programming and budget decisions; and exercise of line management. Each activity could, in theory, be centralized or decentralized, could be unilateral or collegial, could be mandatory or advisory. The relevant options and responses are addressed in other parts of the PRM/NSC–11 response.

The DCI believes, however, that present arrangements give him responsibilities in intelligence resource management that are beyond his management authority to fulfill. Although formal responsibility for the contents of the NFIP rests with a collegial body, the PRC (I), as Chairman and as DCI he is expected by the President and the Congress to develop and take responsibility for an NFIP that is rigorously efficient and displays a close relationship between resource inputs and intelligence product outputs. In the DCI's view, achieving the goals of efficient national intelligence resource management requires his having stronger central authority over national intelligence programming and budgeting decisions, and, in the case of key national programs, line authority as well.

DOD disagrees with this view. It maintains that the degree of centralization under the DCI implied above would be unwise and would severely prejudice the ability of major collection programs in DOD to meet important Defense needs in peace, crisis, or wartime.

### *I. Introduction*

Intelligence can be thought of as a service industry in government, a diversity of organizations serving a variety of customers with varying needs. At the origins of post-war US intelligence, Congress and the President responded to a strongly perceived need to create some degree of overall unity amid this departmental diversity. The Central Intelligence Agency (CIA) and the position of the DCI were created to afford a degree of unity—as well as some independence from the policy process—with respect to information and judgment on intelligence questions of national importance. In the intervening years, the size and diversity of US intelligence have grown. (See Figure 1 and other

graphics at Annex for an indication of the size and diversity of today's Intelligence Community and its activities.)<sup>7</sup> But so also have the pressures for unity amid diversity. As the nation's senior, full-time functionary for national foreign intelligence, the DCI has been the focus of these pressures. He is the President's principal advisor on foreign intelligence, and national intelligence of preeminently Presidential concern is produced under his authority. He has come to preside over Community mechanisms that decide how to use major technical collection capabilities on a day-to-day basis. Since the November 1971 directive of President Nixon, he has been increasingly expected by the President and the Congress to be the guiding authority with regard to programs and fiscal resources of US intelligence entities specified as national.

A direct line of authority runs from the President and his advisory body, the NSC, to the DCI and the CIA. Surrounding this line of authority, however, are a host of vital relationships with other entities of the Executive Branch which generate and receive intelligence. These other relationships do as much to shape the role of today's DCI as does his line command of CIA. For many years, CIA has itself been highly dependent on them. In recent years, they have been seen within CIA to strain the DCI's relationship with the Agency.

Of these other relationships, that with the Department of Defense (DOD) is the most significant and involved, strongly influenced by the fact that the Secretary of Defense, by virtue of his statutory responsibilities as head of the Department of Defense and member of the NSC, has his own direct line of authority from the President. Characterizing this relationship with the DOD goes a long way toward defining the role of today's DCI. It shall be treated further in following sections. Suffice it to say here that:

a. The DOD consumes the greatest volume of foreign intelligence. In scope and variety, DOD needs for intelligence approach those of the rest of the government combined. Many of its needs arising from force planning and operational action responsibilities are large and unique.

b. Much of the raw intelligence on which the performance of the DCI as an intelligence producer depends is collected and processed by intelligence elements within the DOD. The Secretary of Defense, for example, as executive agent of the Government for signals intelligence (SIGINT), manages the National Security Agency (NSA) as a service of common concern for all agencies and departments, within the basic

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<sup>7</sup> The Annex with Figures 1–10 is attached but not printed. Figure 1 is identical to Figure 1 in Document 41.

requirements framework established by the DCI with the advice of the National Foreign Intelligence Board (NFIB).<sup>8</sup>

c. Defense intelligence production entities, in addition to supporting DOD consumers, play a major role in the development of national intelligence judgments through the NFIB and the medium of national intelligence estimates. In some areas of analysis, their contributions are unique.

d. Because nearly 80 percent of the National Foreign Intelligence Program (NFIP) is located in the DOD, it is with the intelligence authorities of this department that the DCI and his Community Staff must interact most intensely to develop the consolidated NFIP and budget.

e. It is in the relationship with DOD that the interwoven complex of national, departmental, and tactical intelligence needs and capabilities arises most sharply to complicate the definition of the DCI's role.

f. In the event of war, and even in some peacetime situations, the DCI's role could conflict with that of the Secretary of Defense.

*[2 lines not declassified]*

Although not as complex, the DCI's relationship with the Department of State is also vital. Foreign Service reporting—a form of collection not formally identified as intelligence—makes the major contribution to political and economic intelligence and also provides information on defense policies in many parts of the world. *[1½ lines not declassified]* The Department of State in Washington and Ambassadors overseas deal with the foreign affairs aspects of all foreign intelligence programs and projects, and play key roles in coordinating overt collection in the field *[1 line not declassified]* The Department is also a heavy consumer of foreign intelligence, and its Bureau of Intelligence and Research (INR) both contributes to national intelligence judgments and produces unique political analyses.

Small in size and specialized in interest, the intelligence elements of the Treasury Department, Energy Research and Development Agency (ERDA), and Federal Bureau of Investigation (FBI) flesh out the formal intelligence relationships of the federation of agencies which has come to be called the Intelligence Community. These latter agencies and the departments they serve have increased in importance as intelligence has had to diversify into new areas of international economics, nuclear proliferation, terrorism, and international narcotics traffic.

Finally, other departments and agencies outside the Intelligence Community—the Department of Agriculture, the Department of Commerce, the Arms Control and Disarmament Agency (ACDA), the United

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<sup>8</sup> The Secretary of Defense is also executive agent for US communications security, advised by the US Communications Security Board. [Footnote is in the original.]



States Information Agency (USIA), and others—are collectors as well as important consumers of foreign intelligence (See Figure 2 for an overview of the Governmental components which have foreign reporting capabilities.)<sup>9</sup>

The purpose of this report is essentially to describe and assess the unifying roles of the DCI, along with other, in some respects conflicting, roles which he has in this Community.

## *II. Basic Criteria for Organizational Judgment*

In understanding or structuring any management system, a first task is to establish the functioning spheres of responsibility and authority, and their limits—essentially how the cloth is divided. The second task is to establish how and to what extent that cloth is sewn back together in order to overcome the negative aspects of necessary divisions of responsibility and to make the parts function as a whole. This is a large challenge for US intelligence because of institutional and functional diversity and the countervailing necessity that the parts interact as a whole.

One approach that can be used to rationalize Community structure is to argue distinctions between national, departmental, and tactical intelligence. This tripartite formula arises largely from the relationship of the DCI and the DOD, and is reflected as well in the intelligence-related functions of other departments, e.g., in the reporting of Foreign Service Officers or Commercial attaches. This formula has serious weaknesses and frequently confuses more than it clarifies. Defining the terms usually obliges use of other terms left undefined. For example, it is said that national intelligence is that intelligence needed by the President, the NSC, and senior US officials to make national policy decisions. But what are national policy decisions? They are decisions those officials want and are able to make; they frequently reach deep into the affairs of departments and can dictate the tactics of military and diplomatic actions. (Further complications arise, for example, within the SIGINT Community, where it is asserted that collection assets are best distinguished along global and local—rather than national, departmental, or tactical—lines.)

The essence of the organizational problem in intelligence is that these concepts overlap extensively in meaning, at least some of the time. The needs of consumers overlap. The President is always interested in broad assessments of Soviet foreign and military policy. But in a crisis at sea, he is likely to be interested in the exact location of specific naval combatants, a seemingly tactical issue. By the same token, a field

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<sup>9</sup> Figure 2 is identical to Figure 3 in Document 41.



commander or foreign mission chief needs broad strategic assessments as well as tactical information. The uses to which a given intelligence fact or judgment can be put also overlap in the tripartite formula. An assessment of the hardness of Soviet missile silos, for example, can be of direct value to the operational planner of strategic strikes, to the force planner, to strategy and national policy planners, and to the arms controller; the President is likely to be interested in all these applications. The organizations and systems that collect intelligence data also overlap the categories of national, departmental, and tactical. This is particularly true with emergent space-based reconnaissance systems that may monitor arms control agreements, collect order of battle data, supply warning, and support tactical military operations.

Thus, the key organizations and systems of US intelligence can or do play extensively overlapping roles at different times. Although only imprecisely, one can distinguish among primary and secondary missions of major organizations in terms of the national, departmental, and tactical formula. But this does not resolve all cases; it leaves a middle ground for argument and a poor basis for organizational judgment.

Organization is about management, and management is about basic purposes and standards of performance. Organizational judgment must be based on a clear understanding of basic performance criteria that do or should govern US intelligence. Among such criteria, three especially pertinent to the roles of the DCI are *propriety*, *effectiveness*, and *efficiency*. (In the view of DOD, these criteria, as discussed in the succeeding pages, do not fully address other criteria important to the roles of the Secretary of Defense, especially the need for adequate integration and interoperability of intelligence with military command and control.)

*Propriety* demands that US intelligence be conducted in conformity with the legal and political standards of our country as interpreted by proper authority. In today's conditions, propriety may tend to conflict with effectiveness and efficiency by restricting certain means of collecting or using intelligence or forbidding the collection or use of certain kinds of intelligence. It tends to conflict with intelligence requirements for secrecy on which effectiveness and efficiency depend. Assuring the propriety of US intelligence in appropriate balance with conflicting considerations is not primarily a matter of organization, although clear lines of command and management responsibility are required for this task. Assuring propriety also requires:

- a. establishing a sound environment of law and regulations;
- b. establishing sound oversight or policing mechanisms within and outside intelligence organizations; and
- c. cultivating appropriate professional and managerial ethics within intelligence entities.

The concept of *effectiveness* in intelligence management is output or product oriented. It is, therefore, preoccupied with consumers and with how well they are being served—with who the consumers are, what they need, when they need it, and why they need it. As already indicated, US intelligence serves a great variety of consumers with a great diversity of needs. Within the Executive Branch, they can be arrayed in the following rough hierarchy:

- a. the President, the NSC, and Cabinet-level decisionmakers; those who decide the policies of the Administration on foreign, military, arms control, and foreign economic matters, and on crisis management.
- b. policy and strategy planners; option developers; force posture, major program, and budget developers; planners of negotiations; those who present the Presidential and NSC level with structured choices on broad policy issues and crisis options.
- c. central implementers of policy and operational planners in foreign, military, and foreign economic areas;
- d. field and tactical decisionmakers; policy or plan implementers, e.g., diplomats, negotiators, and military commanders.

These kinds of intelligence consumers are found, of course, in the main departments of the US national security establishment: the Executive Office of the President and the NSC Staff, State, Defense, ACDA, and, to a lesser extent, in most other departments and several regulatory agencies. One must also count Congress as a substantial consumer of intelligence, and, to a degree, the public, which receives much of its information about events overseas, at least about the Communist world, indirectly from US intelligence. Because it must store up information and analysis to meet future or unexpected needs, intelligence is itself a major consumer of intelligence end products.

Service to the policymaking entities of the Executive Branch is the measure of effectiveness in intelligence. Their needs for intelligence are without limit in principle and constantly growing in practice. They touch upon all areas of the globe and embrace most fields of human knowledge.

Effective service to intelligence consumers dictates a number of organizational principles:

- a. The service or output end of intelligence must be highly diversified and relatively specialized to meet the diverse special needs of consumers. This demands specialized intelligence production support to departments, agencies, subcomponents, commands, etc.—size, scope, and level depending on the case. The Defense Intelligence Agency (DIA), INR, the Foreign Technology Division of the Air Force, and ERDA's intelligence element are examples of the varying levels of support necessary to meet the specialized needs of departments.

- b. In addition to expert and objective analysis from departmental intelligence agencies, the President and the NSC, along with other

major consumers, need a source of intelligence that is independent of policy institutions, broadly competent, and available to support them directly, as a first priority. This principle justifies CIA's role as a producer of finished intelligence.

c. To the extent practicable and consistent with security, the system must fully share information within itself. All production entities in a given subject area should share the same data and analysis.

d. The Community must have the means to come together to render a collective judgment or disciplined disagreement on vital intelligence issues. This is essentially what national estimates and other interagency products have been intended to do.

e. The Community should be structured so that collection is as responsive as possible to producer and consumer needs.

These principles lead naturally to some redundancy among intelligence production agencies. It is the belief of intelligence professionals and critics alike, however, that some overlap of substantive activity and competition in analytic judgment among intelligence production agencies is almost always healthy, necessary, and affordable. Of course, effective intelligence support to consumers depends on a great many considerations other than organizational structure. But the structure for producing intelligence within the US Government must reflect the above principles to be effective at all.

The criterion of *efficiency* in US intelligence is concerned with resources, the processes whereby they are employed, and their impact on production. After two decades of growth during the Cold War, concern for efficiency in Community-wide resource management is a comparatively recent phenomenon, accompanying a general skepticism about national security spending and a downturn over the last half-dozen years in real outlays for intelligence. Critical scrutiny of intelligence behavior by Government and the public has intensified the concern with efficiency in the last few years. In 1971 and 1976, two Presidential initiatives relating to Community authority structure were wholly or partly directed at improving the efficiency of Community resource management.<sup>10</sup>

Efficient management of intelligence resources proceeds in two connected dimensions. Existing resources must be optimally deployed and operated to meet existing intelligence needs according to a priority scheme that managers can base predictions on but that is still flexible. At the same time and largely by the same set of managers, decisions must be made as to what magnitude and mix of resources should be

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<sup>10</sup> Reference to President Nixon's November 1971 memorandum (see footnote 4, Document 35) and President Ford's Executive Order 11905.

mobilized for the future. How these two kinds of decisions are reached in the Intelligence Community will be discussed in the next section (see p. 26).<sup>11</sup> Some attempt to state first principles can help one to understand and judge present arrangements.

Intelligence resource management is largely a matter of managing collection and processing resources, because that is where most of the money and manpower are. Many collection assets are developed to gain broad access (e.g., a broad area imaging system) or potential access (e.g., an agent with a promising future or a regional clandestine capability). Broad access systems require extensive selection and processing for useful data, not all of which can be successfully processed. Potential access capabilities may or may not yield as anticipated. Moreover, intelligence is a form of conflict. Those managing intelligence resources are in reality doing battle with others in the world whose main aim in life is to frustrate the formers' efforts. These conditions challenge the quest for efficiency and should induce a certain modesty in one's goals.

In terms of structure, efficient management of current resources against current needs means giving control to the party with the incentive to seek and the capability to approximate the best allocation. To the extent intelligence collection and processing resources are expensive and scarce, relative to perceived needs, there is a tendency to centralize control. But other factors limit such centralization. Control may need to be contingent on changing conditions in the case of capabilities with varied application. The question thus arises of shifting control of certain national collection assets from the DCI in peace to military authorities in war. Some collection capabilities, such as tactical reconnaissance organic to combat forces, are justified solely for the contingency of war support to those forces and must be controlled and subordinated accordingly. Some degree of decentralization is reasonable in intelligence processing (e.g., photo interpretation, signals analysis, document translation) to achieve focus and promptness in the service of analytic users.

Assigning responsibility for programming future intelligence resources for efficient satisfaction of future needs is essentially a matter of deciding what should be traded off against what, to maximize what value. What should a given program element compete against in order to justify itself? And for what goals? Desirable multipurpose capabilities may have to compete simultaneously in several trade-off and value markets.

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<sup>11</sup> In Section III.C, not printed.

For example, a major overhead reconnaissance system that supplies data to support national intelligence production and can also provide tactical intelligence support to military commanders ought to be weighed against other national intelligence assets, against other means of tactical intelligence support, and even against additional military forces. Whatever single or collegial authority manages national intelligence resources must be capable of making or assimilating sound judgments on such trade-offs.

This logic would insist that the DCI and the main departmental custodian of intelligence assets, DOD, should be running different, if somewhat overlapping, resource trade-off markets. The DCI should be expected, in the main, to trade off intelligence resources against other intelligence resources; the DOD, on the other hand, should generally be expected to trade off intelligence resources against military forces and support programs. Others hold, however, that the DOD is, in fact, a diversified market place in which multipurpose intelligence assets can be realistically assessed both in terms of comparative intelligence value *and* value to operating forces.

It should also be noted that the care and incentives applied to the trade-off of interests may vary with the size of the intelligence package relative to the money market in which it competes. The DCI market place is 100 percent intelligence; the DOD market place is less than 5 percent intelligence (see Figure 3). This, of course, does not preclude someone at an appropriate level in DOD from paying 100 percent attention to intelligence resources.

Any system for allocating intelligence resources must balance contending claims from many users of intermediate and final intelligence products with a central authority capable of resolving disputes in a rational manner. It must also balance rigorous assessment of costly initiatives with enough flexibility or permissiveness to permit initiatives to be pursued in the face of uncertainty.

[Omitted here is Section III: The Roles of the DCI.]

#### IV. *Assessment*

Section II of this report advanced three basic criteria for assessing the adequacy of intelligence management and authority structures:

- a. Propriety of intelligence activities with respect to legal and political standards.
- b. Effectiveness in the provision of needed intelligence to all Government users.
- c. Efficiency in the use and mobilization of intelligence resources, particularly the expensive collection and processing resources.

This section attempts to summarize and assess the problems of the Community in meeting these criteria, to determine how DCI responsi-

bilities respecting them compare to his powers and Community structure, and to identify causes of problems that may not involve Community structure and authority. Specific options for changing Community structure and other innovations are treated in other portions of the response to PRM/NSC-11.

#### *A. Propriety*

The intelligence agencies of the US Government operate in conformity with the law of the land, the stipulations of Executive Order 11905, special restrictions laid down by the Attorney General in 1976, and other internal regulations and restrictions pertaining to propriety. Mechanisms for assuring proper behavior on the part of intelligence agencies are in place and operative. (Further discussion of this issue will be found in the report of the Attorney General's Subcommittee dealing with PRM/NSC-11, Task 1.)<sup>12</sup>

But the situation is far from satisfactory. Many segments of US society external to the Intelligence Community entertain doubts as to the propriety of intelligence activities and the general trustworthiness of intelligence agencies. Internal to intelligence, many professionals suffer in some degree from an atmosphere deficient in confidence, trust, and respect for their chosen vocation. Managers and operators must, moreover, contend with uncertainties and conflicts that the new "ground rules" relating to propriety have presented to intelligence.

The ability of the DCI and other intelligence authorities to protect the security of intelligence sources and methods is severely limited by the lack of appropriate laws defining and protecting official secrecy in general. But such laws will certainly not be forthcoming unless the laws and regulations assuring the propriety of intelligence activities generate widespread confidence.

Alone, the DCI has little power to shape this larger environment. Much depends on the leadership of the President and other key officials of the Executive Branch, and on the reactions of the Congress, the press, and the public at large. The DCI has it within his power, however, to take constructive initiatives that could contribute to an environment in which the propriety of intelligence activities is assured, believed, and consistent with effective intelligence operations. He can take measures to rationalize and make more defensible the security and classification policies applied within intelligence. He can lead in the development and promulgation of professional standards relating to propriety applicable to the Community as a whole. With line command of CIA, he can be held accountable for its activities.

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<sup>12</sup> See footnote 3, Document 41.

Assuring the propriety of intelligence activities is not primarily a matter of Community structure. It is mainly a matter of law and regulations, oversight, and professional ethics. But the DCI cannot fairly be held directly responsible for actions of agencies other than those he directly commands.

Although legal responsibility for the propriety of intelligence operations runs from the President down through the line managers of the several intelligence agencies, the DCI believes that the President, the Congress, and the public expect him to act as virtual guarantor of the propriety of all United States' national foreign intelligence activities below the President. In the DCI's view, his authorities to satisfy these expectations are now less than adequate, except in the case of CIA.

### *B. Effectiveness*

Assessment of effectiveness in meeting the intelligence needs of all Government users applies basically to production of intelligence in the broad sense, that is, the production of intelligence reports and analyses, briefings, contributions to policy studies, and other forms of information support. This criterion also embraces warning and crisis support. (Assessment of wartime support to military decisionmakers is treated in the next subsection.)

Unfortunately, however, there are no absolute or simple means to measure such effectiveness. Policymakers dealing with an uncertain world cannot offer any comprehensive or fixed standard of intelligence "sufficiency." Their needs for information and judgment are limited only by their capacity to absorb. Consumer surveys indicate that US intelligence organizations do fairly well at supplying current news and quick information support. In other areas, customers complain of deficiencies. Those who manage and evaluate US intelligence performance are obliged, therefore, to hear complaints, assess problem areas, and seek to improve where improvement seems feasible and important.

This brief treatment cannot explore all the problem areas identified by recent assessments of Community effectiveness in intelligence production, e.g., the recent NSC Semiannual Review.<sup>13</sup> A summary list of major criticisms and self-criticisms of intelligence production activity is instructive, however:

a. Intelligence organizations at all levels do not understand consumer needs well and have poor tools for improving their understanding. Consumers, by the same token, only poorly appreciate the capabilities and limitations of intelligence. Producers and consumers are more isolated from each other than they should or need be.

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<sup>13</sup> See footnote 6, Document 41.



b. Mid- and long-range analysis and estimating is weak, unsophisticated, and generally under-emphasized. Major national estimates are frequently too unfocused, not directly pertinent to policy, and insufficiently sharp in judgment. Producers are not adept at integrating political, military, economic, and technical perspectives on problems that demand such integration.

c. Intelligence conduct and support of net assessment efforts are inadequate, although the main deficiencies in net assessment are not primarily due to deficiencies in intelligence.

d. Users who want fairly voluminous and detailed treatment of problems find many intelligence products dominated by summary judgments without supporting evidence, explicit reasoning, and uncertainty estimates. Users who want summary judgments find many products too voluminous with little judgment in them.

e. The Community is short of expert analytical personnel in some new areas of intelligence interest, e.g., political and economic aspects of nuclear proliferation. It also suffers from shortages of trained specialists in traditional areas, e.g., expert Russian linguists and area specialists.

f. ADP and other information support services are falling behind the explosion of information. To some degree, compartmentation impedes production. Analysts do not operate in an environment that assures they have all data available to the US Government pertinent to their problem.

g. Warning and crisis support responsibilities and arrangements for responses to them are insufficiently netted together to constitute a reliable and efficient system. Warning and crisis analysis is sometimes inadequate.

h. All production organizations are beset by fire-fighting demands that inhibit quality analysis on new problems. Much time is spent repackaging old material for new users and changed situations.

i. Too little attention is paid to seemingly mundane, but vital and difficult "bread and butter" analysis, e.g., maintaining and scrutinizing order-of-battle files, studying detailed aspects of the Soviet economy.

j. All analytic organizations are spread too thin. The situation is clearly critical in DIA, where vital national and departmental needs are inadequately met because DIA has too many masters, too broad and unstructured a mission, and too little management flexibility to assemble the quantity and quality of people needed for its job.

k. As a producing organization, CIA is insufficiently attentive to the needs of DOD in general.

l. Even the best analysts in any agency suffer from parochial views and failures in judgment.

There is no "right" judgment as to which complaints ought to be on this list or as to the degree of their validity. The important points are that:

a. these complaints are sincerely voiced and valid to some degree, and

b. they impinge on the entire environment of intelligence analysis and production.

Tackling these problems and improving the overall effectiveness of intelligence production, including the kind for which the DCI is



uniquely responsible, does not rest mainly upon structural change or redistribution of management authority. Improvement requires problem recognition and steady management effort at all levels, in all producing agencies. As noted in the previous section, the basic structure of the intelligence production community is appropriate to the provision of effective support to policymakers. It permits departmental and non-departmental production; it permits the sharing of data and judgments; it permits interagency agreement or disagreement as required.

Efforts to improve intelligence production do, however, have some implications for Community structure, and changes in Community structure sought for other reasons could affect the quality of intelligence production. The following points bear on this issue:

a. The basic structure of the Intelligence Community must afford a close interaction between analytical activity and collection activity. The efficiency of both activities depends on it; present Community structure permits it; and the DCI can encourage it. Alternative structures might or might not be as conducive.

b. The Intelligence Community should have better means for executing its warning and crisis support responsibilities matched to the needs of those who must act on warning and deal with crises.

c. Some institutional framework or process outside intelligence is required to permit effective intelligence support of national net assessment activities.

d. Unless mooted by restructuring decisions, it would be desirable to resolve the apparent tension between the national intelligence responsibilities of the DCI's NIO mechanism and those of his DDI within CIA.

e. To the extent that the DCI's performance as a national intelligence producer depends upon the performance of departmental production entities, the DCI has a direct interest in the resource and management factors that shape their performance, as do their departmental superiors.

f. Over the years it has been frequently asserted that a significant increase in total Community resources given to analysis and production, at modest cost to collection and processing, could yield visible benefits in the quality of analytic products. While possibly valid, such assertions are probably unprovable. Such shifts probably would require stronger central authority over Community resources to achieve. In general, however, the keys to improving product quality are more in management attention, methodological innovation, and better producer-consumer dialogue than in gross resource or organizational shifts.

The DCI believes that the diversified structure of the national intelligence production Community as it exists today is generally sound. In his view, however, more effective national intelligence production requires enhancing the DCI's authority to:

a. Task Community production elements outside CIA for purposes of national intelligence production;

- b. Task national collection assets that lie outside CIA and supply vital data for national production;
- c. Control the program management of the major NFIP elements.

DOD disagrees with this view. Departmentally based collection and production elements are already fully responsive to DCI needs; no significant example of unresponsiveness to DCI needs has been adduced to support the need for change to his tasking authority. Moreover, DCI control of Defense intelligence programs could materially degrade their responsiveness to DOD needs, especially in wartime.<sup>14</sup>

### C. Efficiency

Achieving the most cost-effective allocation of intelligence resources is mainly a matter of managing the most costly resources—those for collection and processing. Management proceeds in two time dimensions: the use of existing assets to meet current and near-term needs; and the development of capabilities for the future. In both dimensions the challenge is to provide necessary coverage of target problems and adequate service to consumers, while avoiding unnecessary effort and undesirable duplication.

#### 1. Current Collection, Requirements, Priorities, and Tasking

Formal, centralized mechanisms for the guidance of major *technical* collection operations exist at the national level, under the DCI. These mechanisms—at the center of which are the DCI's committees, COM-IREX for imagery satellites and the SIGINT Committee for satellite and conventional SIGINT operations—are structured largely to fit the systems they guide. Their basic task is to assure that the needs of information users are optimally met by the capabilities of existing collection entities. Problems and frictions arise in the course of their business and concern about the responsiveness of these systems persists. These are manageable in the current structure of the Community; they could be eased by some and exacerbated by other structural changes. These collection guidance mechanisms are the middlemen of the intelligence process. Their function is not always understood by analysts or users, collectors, or outside critics. One needed improvement is to make the process better understood.

Human source collection lacks a formal centralized system of requirement and priority definition. The large and varied array of largely overt human source collectors who reside *outside* intelligence entities and provide a major portion of US foreign reporting properly resist inclusion in such a system. But some reliable means, even if voluntary, of tying them into the intelligence process must be achieved

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<sup>14</sup> See last paragraph on Page 69. [Footnote is in the original. Reference to the last paragraph of the report.]

if clandestine resources are to be used no more than necessary. The DCI and his subordinates can argue for improvements on this front, but must depend on cooperation outside intelligence for real progress.

The Community lacks a centralized standing mechanism for orchestrating current collection requirements on an all-source basis. Such competence does exist in the collection management, analytical, and operational elements of the Community. Moreover, once one moves beyond the general guidance contained in such instruments as Key Intelligence Questions and DCID 1/2,<sup>15</sup> current requirements management must be done largely in terms of the specific collection disciplines against specific problems. This does not necessarily lead to undesirable duplication because, while many assets may be targeted against the same problem, they yield different kinds of data on it and thereby produce the all-source picture needed by national intelligence.

It would still be desirable, however, to develop a somewhat more explicit communications network among the major entities of current collection management to give assurance that effective all-source allocation is taking place. Such a network could also provide the basis for developing current or near-term collection strategies against new collection problems. This entity should not be an additional layer of requirements management between analysts and collectors, but rather a horizontal connective tissue that would allow the DCI, NFIB, NIOs, and, where appropriate, consumers to know and influence easily what the total collection community is doing on a given problem.

It can be argued that difficulties here arise not so much from lack of DCI authority or from failings of Community structure, although the fragmented structure of the Community has helped to instill in each collection discipline a disposition to want to manage its own affairs with only general guidance. The main difficulties are defining problems and designing workable improvement mechanisms.

In the DCI's view, however, enhanced DCI direct tasking or line authority over major national collection entities is essential to improve their responsiveness to all consumers and to eliminate the high degree of competitive overlap that generally exists. DOD, on the other hand, notes that the DCI already has direct tasking authority over the major national collection entities. Moreover, DOD believes there is no "high degree of competitive overlap" in this area. Finally, DOD does not understand how the DCI's proposals will improve the responsiveness to DOD needs.<sup>16</sup>

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<sup>15</sup> DCI Directive 1/2, "Current U.S. Foreign Intelligence Requirements, Categories, and Priorities," January 1, 1977.

<sup>16</sup> See last paragraph on Page 69. [Footnote is in the original.]

*The Peace-War Problem:* One problem of current collection management that has not been adequately addressed is that of transition from a peacetime, to a military crisis, and to a wartime posture in which major national collection systems, particularly overhead imagery and the total national SIGINT capability, must support military decision-making from the President down to the field commander. This problem has become more prominent as reconnaissance satellites have become more able to supply the intelligence needs of military commanders. It strongly influences debate over Community structure. One school of thought argues that the DCI should exercise control in peace, crisis, and war for reasons of central efficiency and rational resource allocation. Another argues that the Department of Defense must exercise control to provide reliable support to the command hierarchy.

As long as intelligence collection systems not organic to combat forces can provide such support, satisfactory definition and resolution of this problem will not arise from *a priori* principles. Careful and detailed study, planning, and exercising are required. A major difficulty is that we have not had much practical experience with the newly available array of collection assets in a major military crisis or large-scale conflict involving US military forces. The Vietnam War and the October 1973 Mid-East war offer some practical experience for study, however. For example, during the Vietnam War, all collection assets that were deemed useful to the theater commander were either directly tasked by him or were responsive to him, including SIGINT, SR-71s, U-2s, etc. Some general observations could help structure the problem and perhaps avoid errors:

a. Whoever runs or controls the national intelligence collection posture of the US in time of deep military crisis or war will have to use it not only to serve the needs of military decisionmaking, but also those of top-level political decisionmaking and the conduct of diplomacy. Military needs will likely dominate, but not to the exclusion of other needs.

b. For support of both military and non-military users of intelligence, the problem of collection management in war will be the same as in peace: marshalling many different collection systems to serve many different users. The major difference will be the volume and time-urgency of demands placed on these systems. Moreover, whoever (person or organization) has to run these systems in war needs to have had experience in tasking, line-operating, and resource-managing them in peace.

c. The primacy of military demands for intelligence support is not likely to be challenged in wartime by any collection management system. The basic problem is to assure that collection management systems geared for non-military needs in peacetime can shift rapidly

to the needs of military support. Difficulties for any managing authority will arise from conflicts among different levels and kinds of military needs, and also from competing civilian demands. Establishing reasoned priorities will require system-specialized methods since specific systems can play very different roles in different military scenarios.

It may be possible to select among several distinguishable philosophies for managing this problem centrally:

a. In military crisis or wartime, the Secretary of Defense should manage, as a service of common concern, an integrated collection tasking system for all assets that can support military operations.

b. The DCI should manage the integrated collection tasking system as a service of common concern taking requirements as necessary from the military command hierarchy.

c. Management of *some* critical collection platforms or capabilities should be transferred entirely to Defense, depending on the system and the conflict scenario.

Any of these approaches could work, but it is unlikely that any of them would work well until we know in greater detail what intelligence collection management really means in a wartime context and build working mechanisms appropriate to that understanding.

## *2. Assembling Resources for the Future: Programming, Budgeting, and Other Management Powers*

A foremost challenge of US intelligence management is to develop the best overall mix of capabilities needed to perform effectively at reasonable cost. This challenge is met in the year-to-year process of funding the major intelligence programs of the Community. How and how well this is done is central to the issues of Community structure, the powers of the DCI, and the powers of other senior intelligence resource managers, especially the Secretary of Defense.

It should be understood, however, that efficient resource management is more than a matter of structure and authority. The most fundamental problem of intelligence resource management is one that is common to other functional programs in government: there is no management science or comprehensive and orderly set of measures which may be applied to allocation of intelligence resources. We do not have a rigorous method for assessing the value of intelligence outputs and the relative contribution of inputs in terms that find general agreement and lead to confident decisions. This problem emerges from the very nature of the intelligence business:

a. There are no agreed objective measures of output value, since the *limits* of the needs of intelligence consumers cannot be readily defined, and there are no ways to quantify marginal satisfaction.

b. Except in discrete technical areas, the relative contribution of the many elements of the intelligence process cannot be quantified.

These contributions are made through highly disaggregated and usually subjective processes within the heads of analysts and evaluators.

c. There is no explicit and comprehensive way to measure the value of, or loss implicit in, unsuccessful effort, i.e., experiments that fail, collection efforts that yield less than desired, analytic labors that do not produce. By its nature, intelligence necessitates much effort that proves unsuccessful.

These shortcomings of value measurement do not preclude reasoned judgment on what intelligence resources to assemble and how to use them. Such judgments are made all the time. In some aspects of intelligence management, they rest on quantifiable or explicit analysis, albeit with incomplete information. But more often they require successive aggregations of choices based on subjective judgment, experience, intuition, institutional preference, and a large measure of arbitrary decision.

Given the prominence of subjective judgment in this decisionmaking process, it naturally leads to concern about organization and authority structure. For, lacking a science of intelligence resource management that all parties practice in harmony, organizational structure is the most frequently used approach to establish the incentives and interests that more or less integrate all the disaggregated decisions that constitute resource management from top to bottom. Those responsible for such decisions at the top or center want great authority to structure incentives, give guidance and instruction, and review or correct lower echelon decisions. Those lower in the system typically want maximum independence. Those on the periphery or outside, but dependent on the system, want influence over the parts that interest them. This produces the familiar tension between centralizing and decentralizing forces.

Historically, US intelligence resource management has been largely decentralized, both in the Community as a whole and in the Department of Defense where most resources have resided. But pressures to centralize the process of managing those resources labeled national have been increasing for several years. Going beyond mere instruction, in 1976, Executive Order 11905 initiated a relatively centralized process, but one still based on a federated institutional structure and collegial decisionmaking below the President.

The record established in one year of operation under Executive Order 11905 is mixed. A consolidated NFIP and budget were produced. Through unprecedentedly extensive interactions among the members of the CFI, their staffs, and the NFIP program elements, issues were defined, studied, and in some cases resolved, in others deferred. Such issues were initially identified by the program managers, the Intelligence Community Staff (functioning as the CFI staff), OMB, and Con-

gress. Valuable experience was gained working with this process. A major step forward was taken in forcing programmatic decisions into a process wherein it is possible to justify program inputs in terms of intelligence value across the Community.

But this record was achieved only through a difficult struggle over procedure and substance. Key players, notably in the ICS and the Department of Defense, were at odds over the basic goals, as well as the rules, of this process. Executive Order 11905 strengthened the incentives of the DCI's ICS to give critical scrutiny to, and to influence the specific contents of, intelligence programs. At the same time, it enhanced DOD's incentive, growing for some years, to place one central authority, DDI/ASD(I), astride all DOD intelligence equities. These authorities inevitably came into conflict as the former attempted to deal directly with program managers on program details and the latter resisted such attempts.

Although issues examined and decisions made were dealt with in terms of cross-program implications where they could be identified, the 1976 experience did not include a major new effort to accomplish cross-program trade-offs of the most basic sort. The process did not and probably could not come to grips with major shifts of funds among programs and across the elements of the intelligence process, i.e., collection, processing, and production. The CFI did not attempt to redefine the proper contents and scope of the NFIP—notably, which Defense intelligence program elements should be included and which excluded—according to a systematic examination of each element. It elected merely to accept the NFIP as it found it and to begin making resource decisions from there.

Although opinions differ as to how this record should be read, it is clear that the system worked to a considerable degree and has potential for improvement as more able and experienced staffing of the process is achieved. It is also clear, however, that this system will occasion continued tension and struggle among the participants, especially the ICS and the DOD, unless the goals and rules of the process are better defined.

Certainly, refinement of the programming and budgeting process created in Executive Order 11905 is one option for enhancing the integrity of national intelligence resource management in the future. It has the significant virtue of an evolutionary approach that builds on existing organizations and accumulated experience.

As it presently stands, however, the system obliges the DCI, as Chairman of the PRC(I), to proceed on most matters by persuasion and negotiation. This means that, to a great extent, initiative in the



process lies with program elements and with outside critics.<sup>17</sup> As a by-product, this structure places significant strain on the DCI in discharging his dual roles as head of CIA and as Community leader. At the same time, this system presents those department Secretaries having intelligence responsibilities, particularly the Secretary of Defense, with an awkward compromise of their statutory duty to manage and fund the programs under them.

Although formal responsibility for development of a rational and integrated NFIP rested in the PRC(I) as a collegial body, expectations have been generated that present to the DCI resource management tasks that extend beyond his pure management authority to fulfill.

Deciding on options for Community structure that will satisfy the criterion of efficient resource management requires that certain key issues be addressed:

*a. How much emphasis should be placed on resource management efficiency in structuring US intelligence?*

Many would assert management efficiency to be an obviously essential goal. But it is not obvious that satisfactory intelligence performance can be achieved at lower than present costs through better allocation of resources. One could argue that declining resources have already put intelligence overall in an inefficiently austere condition, where needed initiatives and improvements are too hard to justify and, hence, are not taken. But the fact that we cannot reasonably show whether particular intelligence efforts are essentially "efficient" should not deter pursuit of a resource allocation regime that emphasizes efficiency. Failure to display a workable system that strives for efficiency and shows results is likely to produce unwise, arbitrary decrements. Moreover, there are numerous specific areas where a rigorous regime can be expected to identify needless duplication and possible savings.

*b. What is the promise of better analytical methods, or management science, for improving the efficiency of intelligence resource management?*

It is doubtful that better analysis on resource issues can fully substitute for management authority in achieving more efficient intelligence allocations. Improvements can be reasonably expected from better, more consistent data on intelligence activities at all levels, from staffing the resource allocation processes of intelligence more expertly, and from applying more rigorous methods. But in the end, the results will depend considerably on the incentives of the players to cooperate; this depends in turn partly on the authority structure in which they operate. The Department of Defense, on the other hand, believes that only

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<sup>17</sup> DOD believes this statement to be untrue, since the system established by E.O. 11905 was designed to and has given the initiative to the DCI. [Footnote is in the original.]



better analysis on resource issues can significantly assist management authority in achieving more efficient intelligence allocations, regardless of how that authority is structured.

c. *What is the appropriate scope of the intelligence activities of the US Government that ought to be brought under a centralized intelligence management system?*

In part, this question is: What activities should be included in the NFIP? But because intelligence is a shaded continuum of activities, some of which probably cannot be managed as intelligence *per se*, it is probably necessary to distinguish several kinds of intelligence for resource management purposes, and to accept some arbitrary dividing lines. Different management regimes should probably apply to each. For example, in one view, CIA, NSA, [less than 1 line not declassified] programs clearly represent a set of assets that are primarily national in nature. Consequently, in this view, they ought to be justified in relationship to each other and managed as national assets by a senior national intelligence authority. But their value in tactical support roles argues that they also be judged against other means of supplying such support and against additional military forces, a clear responsibility of the Defense Department. Other elements, such as departmental analytical organizations and many entities within the GDIP, could be justified primarily in departmental terms, but subject to review, criticism, and stimulation from the national, or DCI, arena because of their value or the extent of their contribution to the national effort. Given the rather coarse measures available, distinguishing departmental from national needs does not offer a confident means for delineating authority and responsibility. Whatever is of departmental interest is also of national interest. Yet a third set of intelligence resources would seem essentially tactical in character, e.g., assets organic to military combat units. Here the main interest of the national intelligence manager has always been and should be to gain the benefit of their existence in ways consistent with their mission but to assume no responsibility for their management.

d. *How much centralizing authority is required for efficient resource management in the national intelligence structure?*

Four kinds or levels of authority can readily be distinguished, each level capturing the previous one, except where explicitly compromised by the rules of the chosen management process:

- 1) defining future intelligence requirements and priorities; issuing broad guidance for planning and programming;
- 2) reviewing and vetoing Community programs and budgets;
- 3) controlling program and budget decisions;
- 4) exercising line management, including operational control and personnel authority.

Given future uncertainties and long lead times, the DCI's power to define requirements and priorities that apply to future intelligence capabilities is only a partial means of controlling resource allocations. Vetoes can stop but not initiate actions. Direct influence over programs and budgets is required to effect such control, either by unitary or by collegial decisionmaking methods. But even then some would argue that the uncertainties and inevitable disputes that must attend intelligence resource allocations for the future demand, in some cases, the authority necessary to direct subordinate organizations and to make their members willing supporters of the goals of the center. The DCI believes this to be the case. The DOD would argue that such strong central management authority over intelligence resources is not necessary and would be undesirable in that it would excessively concentrate authority and result in programs inadequately responsive to crucial consumers.

*e. Should responsibility for intelligence resource management be combined with or separated from responsibility for national intelligence production?*

Separation of resource management and intelligence production responsibilities might make it easier for the production manager to justify his resources and to concentrate on improving analytic performance. On the other hand, close interaction of these responsibilities is required if large expenditures on intelligence collection and processing are to be rationalized in terms of their ultimate contribution to intelligence output. If efficient allocation of intelligence resources means anything, it must mean an orderly relationship between inputs and outputs. The greater the separation of analysis and collection management responsibility, the more difficult it would be to assure such a relationship.

*f. If there is to be a national intelligence manager, with special emphasis on and responsibility for resource management, who should he be and whom should he report to? Over what elements should he have line authority, collegial influence, or some advisory responsibility?*

This, of course, is the bottom-line issue. It ranges beyond the instructed scope of this report. The relevant options and arguments will be addressed in other responses to PRM/NSC-11.

The DCI believes, however, that present arrangements give him responsibilities in intelligence resource management that are beyond his management authority to fulfill. Although formal responsibility for the contents of the NFIP rests with a collegial body, the PRC(I), as Chairman and as DCI he is expected by the President and the Congress to develop and take responsibility for an NFIP that is rigorously efficient and displays a close relationship between resource inputs and intelligence product outputs. In the DCI's view, achieving the goals of efficient national intelligence resource management requires his having

stronger central authority over national intelligence programming and budgeting decisions, and, in the case of key national programs, line authority as well.

DOD disagrees fundamentally with this DCI view and the comparable DCI views expressed on pages 58 and 60.<sup>18</sup> In each case these views were added at DCI direction after the last Subcommittee meeting. In DOD's opinion, these views confuse issues of tasking, resource control, and line authority; they attempt to justify added DCI responsibility on the purported ground that the DCI is expected to take such responsibility, an approach which begs the questions; and they fail to address other basic issues such as the compatibility of DCI's envisioned role with effective wartime operations, adequate attention to the DCI's primary responsibility to ensure reliable intelligence judgments, etc.

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<sup>18</sup> See footnotes 14 and 16 above.

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**43. Memorandum From the Assistant Secretary of Defense for International Security Affairs (McGiffert) to Secretary of Defense Brown<sup>1</sup>**

Washington, June 1, 1977

SUBJECT

PRM-11

Re PRM-11 talking points for the President, our objective should be to convince the President to go slow.<sup>2</sup> Our general strategy should be to take the high ground and in the process extract ourselves from (a) the biased approach of PRM-11, which is framed in question-begging terms of the DCI's authority, and (b) the current dialogue which, in its emphasis on resource management/line authority/tasking, has tended to elevate form over substance. We need to focus on the differ-

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<sup>1</sup> Source: Washington National Records Center, RG 330, OSD Files: FRC 330-81-0761, NSC-PRM-11 Secretary Talking Paper 6/15. Secret.

<sup>2</sup> Brown met with President Carter in the Oval Office from 4:05 until 5:05 p.m. on June 2. Mondale, Brzezinski, and Jack Watson, Secretary to the Cabinet, also attended the meeting. (Carter Library, Presidential Materials, President's Daily Diary) No minutes of this meeting were found..

ence between command and community, with the latter better reflecting the real-life diversity of users and capabilities.

One point not (I think) appropriate for inclusion in the written talking points is the specter of an intelligence czar with a separate chain of command and tentacles throughout the government. Shades of J. Edgar Hoover! Another point, perhaps only implicit in the attachment, is that, after being the President's principal substantive intelligence adviser, the DCI's next most important responsibility should (arguably) be to prevent abuses in CIA—rather than assuming large and distracting management functions.

The talking points are attached.

David E. McGiffert<sup>3</sup>

### **Attachment**

#### **Talking Points Prepared in the Department of Defense<sup>4</sup>**

Washington, undated

TALKING PAPER FOR

(SecDef's Meeting with the President, 2 June 1997)

SUBJECT

PRM-11

A. The most critical needs to be served by the intelligence community are:

(1) Production of sound intelligence judgments for senior policy makers. This suggests the desirability of organizational diversity in order to keep everyone honest and give room for constructive dissent.

(2) Provision of needed information (current intelligence) and analysis to a variety of types and levels of users—from top policy makers to tactical commanders in the field. This suggests arrangements which link user's needs with tasking and disseminating mechanisms.

(3) Assurance of smooth transition from peace to crisis to war. This suggests that those organizations which will have the responsibility in crisis and wartime ought, as well, to have substantial peacetime involvement in tasking, line operations, and resource management.

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<sup>3</sup> Printed from a copy that bears this typed signature.

<sup>4</sup> Secret.

(4) Prevention of abuse. This suggests oversight mechanisms as well as checks afforded by plurality in organization.

(5) Efficient management of high dollar collection assets. This suggests a centralized approach to planning, programming, and budgeting of collection programs.

(6) A balance between the funds devoted to intelligence and the funds devoted to other programs. This suggests arrangements to promote cost/benefit trade-offs between intelligence and non-intelligence programs as occurs where intelligence budgeting is not centralized.

B. These objectives inherently conflict to some degree. (One of the frustrations of the current PRM–11 exercise is the assumption—sometimes implicit, sometimes wishful—by many that they do not conflict.) For example, to centralize everything in the DCI may prejudice transition from peace to crisis to war or disrupt the needs of military intelligence even in peacetime. To centralize everything in DoD may overemphasize the needs of tactical commanders at the expense of national users. Therefore the first question must be which, if any, of these (at least six) objectives should have priority.

C. In my judgment, the two overriding goals must be: *in war and peace*, (1) the production of reliable judgments for the President, and (2) the timely provision of intelligence to the other various levels of users. I would put (4) higher in the list except that I think it can be handled in a way that does not conflict with the two I have listed.

D. To the extent these central goals are not being achieved, the problem is not structural. The DCI has adequate authority already to task pertinent collection assets and set collection priorities. The centralization which you (the President) are being pressed to endorse has to do with resource management. It might produce more cost-effective management of collection resources—although this is by no means clear given the current mechanisms for eliminating redundancy and making trade-offs. But in the process such centralization is likely to make achievement of the overriding goals—reliable judgments and timely provision of intelligence to all users—more difficult.

(1) Centralization tends to erode the diversity of analysis which keeps judgments honest. No President can afford to have this happen. Without the TRW contract advice to CIA as well as the Aerospace Corp advice to the AF, the controversy over Soviet warhead weights would have been suppressed. Without similar diversity, so would that over BACKFIRE range, and Soviet ICBM accuracy, and the fraction of Soviet GNP devoted to military expenditures. In some of these, CIA was correct; in others, it was incorrect; in still others, the correct answer is not yet known but, without diversity, the right answer is much less likely to emerge until a painfully later time.

(2) The more management responsibilities any DCI has, the less he can concentrate on his preeminently important function of providing sound intelligence judgments for senior policy makers. In some ways this is analogous to the (now-resolved) problem of combining the offices of the Secretary of State and Special Assistant for National Security Affairs or any other line and staff jobs.

(3) Peacetime separation of intelligence collection assets from the Department of Defense may compromise wartime operation, particularly during the critical phase of initial hostilities. Absent military-oriented career patterns and organizational arrangements, how can these organizations retain military expertise so that SecDef or the Commander-in-Chief can fulfill their wartime obligations? More generally, under the Constitution and the National Security Act, the President and SecDef are rightly held responsible for many operational matters in peace and war. These decisions involve many other factors, but their execution depends critically on intelligence collection, production, analysis, and judgments. How can this be reconciled with control in DCI whose role is quite different? A reasonable analogy is the difference in effectiveness between SACEUR, who has no command role in peacetime, and the US CINCs who do.

(4) Centralization would unrealistically complicate the provision of resources supporting collection. DOD can more effectively run the submarines, launchers, ranges, aircraft, etc., involved—assets which, moreover, ordinarily perform non-intelligence functions as well. They fall within the military chain of command from which DCI is by law excluded even if he is a serving officer.

(5) Centralization tends to unbalance the system's servicing of user needs. The present organizational pluralism provides creative tension in this regard and does *not* interfere with the DCI's exercise of his existing authority to task DOD collection assets to fulfill his needs. Although you (the President) may hear generalized assertions that the DCI needs more tasking authority and/or line control, I have asked for but not received concrete examples of how the absence of such authority has prevented DCI (as opposed to some analyst in CIA) from getting the data he has wanted.

(6) Finally, centralization in the DCI would not solve the question of abuse. Indeed, it has been in CIA where the most damaging abuses have occurred. None of those scandals would have been avoided by giving DCI control over DOD and other intelligence assets.

E. Even if the centralization being pressed on you was not likely to make achievement of primary goals more difficult, there would be no compelling case for change. The collegial arrangement established only last year by EO 11905 gave the DCI more influence over DOD intelligence resource allocation. Its corollary disadvantage from DOD's

point of view was to tend to immunize the intelligence portion of the DOD budget from inspection in relation to other defense functions. This disadvantage aside, the system seems to have worked fairly well and is, in any event, too new to have had a fair trial.

#### F. Recommendations

(1) We ought to give the system created by EO 11905 a more complete trial, with perhaps greater flexibility for budget trade-offs between defense intelligence and non-intelligence functions.

(2) If significant change nevertheless seems necessary, perhaps the most sensible immediate step would be to give the DCI veto power over intelligence portions of DOD, State, and other agency budgets.

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#### 44. Memorandum From the Comptroller of the Central Intelligence Agency (Taylor) to Director of Central Intelligence Turner<sup>1</sup>

Washington, June 3, 1977

##### SUBJECT

Section 3 of PRM/NSC 11

1. You asked yesterday for an analysis of the options presented for discussion in Part III of the PRM 11. We understand that you found the paper confusing and an unsatisfactory basis for a discussion with the President on the issues raised.<sup>2</sup> After carefully studying the paper, we certainly agree that the treatment of the options is confusing and that the paper itself could stand considerable improvement. From a tactical standpoint, however, this paper, as it stands, may provide you with a strong negotiating position. As you pointed out in our discussion, we may be able to use selectively parts of this paper as takeoff points to buttress your argument for line control options. When we finally unravelled the intertwined options and tracked through the analytical and descriptive sections, we realized that the paper contains persuasive, if disjointed, logic for centralization and puts forth line control options (5 and 6) that can be used as your “go for broke”

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<sup>1</sup> Source: Central Intelligence Agency, Community Management Staff, Job 79M00095A: Official Subject Files (1975–1977), Box 4, PRM 11 Task 3 (Vol. III). Confidential.

<sup>2</sup> Reference to Document 41.



position. From our perspective, the obvious weaknesses of this paper play to our strength. For example, in discussions with the President, Secretary Brown, and Dr. Brzezinski, you can be positive about the logic for centralization and strongly support two of the options. None of the other options make much sense to us. This tactic puts Secretary Brown in the unenviable position of either pushing for an unattractive option or embarrassing Dr. Brzezinski by stating that the paper poorly presents the options and is, therefore, an inadequate basis for discussion. Neither of these approaches would seem to be very promising avenues for Secretary Brown to select. The critique of the options in the attached paper is designed to help you exploit the tactical opening presented by PRM 11.

2. There are also important tactical considerations in deciding whether your first choice is a variation of Option 5 or Option 6. Because Options 5 and 6 are alike in giving to the DCI line control over the essential elements of the NFIP, a choice between them rests largely on your choice of tactics. We can envision two scenarios. You could press for Option 6 now, arguing the need for centralization and functional realignment of the Community for all the reasons we have discussed elsewhere. We believe it would be wiser, if you choose this course, to state in broad terms the organizational objectives you will seek to carry out as you proceed with the reorganization, rather than describing a detailed organization at this time. This would maximize your flexibility and make it more difficult for others to attack on organizational details which should not be allowed to cloud the large issues. Such objectives might include:

- The desirability of an integrated estimating and production organization directly responsible to you.

- The desirability of placing collection programs under unitary management with clear responsibility for maximizing the use of collection resources to meet intelligence needs of national and military customers.

- The need to build procedural arrangements that guarantee that all activities of intelligence are conducted in a legal and ethical manner.

3. If you adopted this strategy and encountered major opposition to a functional realignment, you could fall back to Option 5 and offer to consider functional realignment at a more deliberate pace and with the full participation of those who would be affected.

4. Alternatively, you could press now for line control without functional realignment, reserving the right to consider that later. Under this approach, a reasonable fall-back position is much harder to envision. One approach would be to argue for line control over [2 lines not declassified] Your reasons for giving way on some parts of the CCP might be that over the long term you believe that effective unified



central management of CIA, NSA, and the [*less than 1 line not declassified*] are more critical to your ability to meet national intelligence needs than is control over [*less than 1 line not declassified*] and tactical COMINT collected by some CCP units. You also may want to consider giving DoD control over some clearly tactical portions of the NRP. In any event, your fall-back position, if you press first for Option 5, is less satisfactory.

5. This memorandum and the attached paper represent a quick first cut on a very complex problem with complicated organization and political issues. We would like to meet briefly with you once you have had a chance to read our paper. Our ability to provide you with useful staff assistance would be improved by a few more sessions similar to the short meeting in your office on Thursday morning.<sup>3</sup>

James H. Taylor<sup>4</sup>

### Attachment

### Paper Prepared in the Central Intelligence Agency<sup>5</sup>

Washington, undated

#### A PRELIMINARY CRITIQUE OF SECTION 3 OF PRM/NSC 11

The PRM sets forth a number of objectives and principles designed to serve as benchmarks for analyzing the desirability of various changes in the Intelligence Community. This list is important because it gives purpose to the discussion of options. Without it, we are confronted only with a struggle for power and a mindless debate about abstract changes. The list is summarized here, and we have attempted to use it as the basis for our critique of the options which follow.

#### *Objectives and Principles*

—The Community must be structured and managed so as to provide responsive intelligence support to the wide diversity of consuming organizations at many levels.

—US intelligence must be responsive in two senses. It must be relevant to the real needs of US decision makers. It must be responsive to needs that the consumer does not yet fully appreciate, not just for today's problems, but for the future as well. It must also be timely.

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<sup>3</sup> June 2. No minutes of this meeting were found.

<sup>4</sup> Printed from a copy that bears this typed signature.

<sup>5</sup> Confidential.

—US intelligence must be accurate, analytically penetrating, and sophisticated.

—Intelligence judgments must be candid and objective, unbiased by policy preference.

—Its activities, particularly the most expensive activities of intelligence collection and processing, must be managed in an efficient or generally cost effective manner.

—Our intelligence system must be able to share data and judgment within itself, and, on major issues, to collaborate in disciplined agreement or disagreement.

—US intelligence must be capable of supporting the conduct of war with the minimum of disruptive transition.

—US intelligence must be organized to minimize any potential of subverting constitutional principles and basic individual rights. Its activities must be demonstrably consistent with US legal and basic political standards.

Weighing the eight basic options presented in the PRM against these objectives and principles, we believe only Options 4, 5, and 6 merit serious discussion. You will find a detailed analysis of these three options and the variations on them in the narrative presented below. Our analysis of Options 1, 2, 3, 7, and 8 is limited to the following comments:

—Option 1 represents an attempt to improve marginally the status quo by making somewhat more specific the rules under which the DCI influences resource allocation decisions within the PRC or on his own. Unfortunately, few specifics are presented which would explain how precisely this would be done or how the DCI might use the prerogatives apparently provided to meet his responsibilities. The basic problem is that language changes in an Executive Order cannot modify existing statutory lines of authority. While most of the proposed changes in the Executive Order are sensible, we doubt they would have any significant impact on your real ability to achieve the objectives and principles set forth above.

—Option 2 calls for a further decentralization of the Intelligence Community by increasing the current ability of department heads to ignore selectively DCI (PRC I) priorities. It is clearly a step backward to the pre-1973 era.

—Option 3 is beyond our comprehension. We do not understand what is contemplated here.<sup>6</sup> The option would appear to scrap all of

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<sup>6</sup> An unidentified hand wrote in the margin adjacent to the first two sentences of this section, "give DCI PRC functions."

the efforts undertaken since 1973 to build some centralized control over the Intelligence Community and take us back to the basic relationship which obtained between DoD and CIA in the 1960s. Alternatively, if legislation to implement this option is contemplated, the option appears to be designed to give the DCI budgetary authority over the Intelligence Community as in Option 4, but apparently leaving departments free to reprogram funds into or out of intelligence programs as desirable.

—Option 7 represents the DCI as the “titular” head of the Intelligence Community. It removes his line control over CIA, including intelligence production components, and gives all resource management authority to the Secretary of Defense. The DCI is left with the responsibility for setting requirements and priorities and production of national intelligence. Essentially the DCI becomes an intelligence staff aide to the Secretary of Defense.<sup>7</sup>

—Option 8, which places the DCI in a subordinate line position to the Secretary of Defense but in charge of the four national intelligence elements of the NFIP with all the powers outlined in Option 5, is at least organizationally workable because one manager would control the majority of Intelligence Community assets. This option has only one major flaw, but we believe it is fatal. Even an exceptionally strong DCI would not be able to keep the Intelligence Community from increasingly coming under the influence of DoD requirements and Departmental policy influence. We doubt that intelligence judgments and estimates could remain free of departmental policy influence regardless of the best intentions of all involved.

Options 4, 5, and 6 deserve more detailed analysis. As noted in the PRM, these options scrap the present DCI-White House-DoD-State collegial PRC (I) system entirely. They represent basic structural changes to the Intelligence Community by changing degrees of line, resource, management, and tasking authorities. As noted in the PRM, “This course is appropriate if one assumes:”

“—Greater centralization of authority and responsibility over the diverse elements of the Intelligence Community is required.”

“—That setting forth various means for accomplishing increased centralization while retaining mandatory and responsive service to a broad range of consumers is needed.”

“—The present authority of the DCI is *inadequate* for the responsibilities assigned.”

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<sup>7</sup> An unidentified hand wrote in the margin adjacent to this sentence, “Bull!”

“—The DCI’s current control of CIA and of the national tasking mechanism and chairmanship of the collegial resource allocation structure are judged to fail to provide the necessary responsiveness from the Intelligence Community to his direction.”

“There is a . . . consensus that the potential resource savings to be achieved by creating a single comprehensive national intelligence analysis center serving all consumers is more than offset by the inherent danger that differing judgments and perspectives would be suppressed and denied to the users of intelligence. For that reason none of the suggested options include centralization or other significant intrusion on the continued existence of viable competitive centers of analysis.” (Comment: We understand “viable competitive centers of analysis” to be synonymous with departmental intelligence units such as State and DIA.)

#### *Option 4*

Option 4 provides “full” DCI authority over resource allocation to national intelligence entities. He is specifically given the authority to select the elements to be included in the NFIP (subject to departmental appeal to the NSC) and to review, amend or veto expenditures he finds inappropriate or unresponsive to his needs. He is given authority to set all collection and production priorities and to task collection systems (though because he lacks line control, he cannot ensure compliance with his requests). He no longer shares resource allocation authority with the PRC, and the NFIP budget which he recommends is “fenced,” that is, other program managers cannot add to or reduce funds made available to the NFIP without DCI approval.

The PRM is rather vague on how precisely these powers are to be conveyed to the DCI, though it seems to conclude that new legislation would be required.

The “full” DCI authority over resource allocation called for in Option 4 is not specified in sufficient detail to clarify precisely what the DCI’s authorities would be or how exactly he would exercise them. The intent, however, appears to be to give him the authority to supervise an effective budget process, to ask for and receive necessary information from the various Community components and to prepare an integrated request to OMB and the President. Much less clear is the DCI’s responsibility to defend the budget before Congress, and even less clear or perhaps nonexistent is his responsibility to ensure effective and legal execution of the budget once appropriations have been approved by Congress.

Our experience with the budgetary influence the DCI is able to exert over the Intelligence Community through the mechanism of the PRC suggests that the purse string can be used effectively generally

to influence or to coordinate national programs over a two- or three-year period of time. By themselves, however, budgetary powers are not sufficient to carry out all the basic responsibilities. The budgetary process can be used more effectively negatively than it can positively. With this power the DCI can exercise a slow veto over programs he wishes to terminate but it is difficult to exercise bold initiatives or to explore new and imaginative programs solely through the control of funds in a long budget cycle.

Option 4 is unclear as to whether funds for programs recommended by the DCI would be appropriated to him for further allocation to the various members of the Community, or whether his role essentially ends after the review of the program leading up to Presidential [decision. There] is precedence for such an arrangement. The so-called poverty program established in the Office of Economic Opportunity (OEO) in the early 1960s in fact was designed to function in this manner. The basic concept was that funds would be appropriated to the Director of OEO but that the responsibility for actually conducting programs would generally be delegated to other existing departments of the Government. The Director OEO would shape the budget in accordance with his priorities, defend it before Congress, but leave the day-to-day management of, for example, manpower training programs, to someone else, in this case the Secretary of Labor. By the late 1960s when OEO's appropriation was about \$2 billion, about \$1 billion was appropriated to the Director of OEO but transferred thereafter by him to the Secretary of Labor for the conduct of manpower programs. The idea had appeal but in fact was largely judged a failure. The Secretary of Labor had vastly more influence over the budget which legally was to be prepared by the Director OEO than one would have thought, given the original concept established in law. We doubt that were the DCI to have a similar responsibility with respect to NSA, [*less than 1 line not declassified*] today the situation would be much different. Because the Secretary of Labor directly operated the manpower programs and had much experience with them, because he had good Congressional contacts, because both OMB and the White House turned to the Secretary of Labor instead of the Director OEO for advice, OEO often found itself rubber stamping what the Secretary of Labor had already agreed to do with others. In fact OEO was never able to get the Labor Department to concentrate on the activities it thought were important in the manpower program area. Doubtless there have been other analogous approaches to this problem in previous times although we are not aware of any of significant size. In this particular case, after a fair amount of backbiting between OEO and the Department of Labor and a growing recognition by everyone that little was gained by appropriating the money to OEO, a decision was eventually made to appropriate

the funds for these programs directly to the Department of Labor. No one knew the difference.

*Options 4A through 4E* are responsive to basic arguments that a serious conflict of interest is created if the DCI is endowed with authority over Community resources as specified above but simultaneously maintains line authority over CIA.

*Option 4A* would attempt to ease this conflict of interest by creating a new Director/CIA who would however report to the DCI. Although this would have some cosmetic effect, it is unclear how exactly this resolves the conflict of interest, since the arrangement is little different in substance from that which exists today.

*Options 4B, 4C, and 4D* would have the Director/CIA report to the NSC, the Secretary of State, or the Secretary of Defense, respectively, instead of the DCI. In creating a Director/CIA who would report to the DCI on budgetary issues and to the NSC on other questions, the DCI's ability to command an effective production process is greatly weakened. The Director of CIA, like the [1 line not declassified] Director, NSA, would report to one boss for policy and operational matters and to a second boss on resource issues. Options 4C and 4D suffer from these same defects and in addition, produce a situation in which the policy or operational needs of the Department of State or Defense could fundamentally alter the objectivity of the intelligence products prepared by the Director/CIA who would report to the Secretary of State or Defense. In short, we find Options 4B, 4C, and 4D totally unworkable.

*Option 4E* would disband CIA, adding CIA's analytical element (DDI) to the DCI's immediate organization and spinning off other CIA functions to other departments (unspecified, but probably Defense and/or State). This option at least has the virtue of giving the DCI a capability to carry out his most fundamental production responsibilities but would further weaken his already tenuous ability to direct collection systems in support of his substantive production needs, although it is true that his expanded role with respect to the budget would offset this loss to some degree. However, it seems inevitable that the CIA components transferred to other Departments would eventually be recast to meet the intelligence needs of those organizations, rather than those of the DCI, and the DCI's budgetary authorities would not appear adequate to prevent this from occurring.

#### *Option 5*

Option 5 would give to the DCI line authority (which includes full and unambiguous resource authority) over four national intelligence programs—CIA, NSA, [less than 1 line not declassified] The option apparently contemplates that the four national intelligence programs would

retain their present organizational integrity. Because a DCI who managed these four entities, however, would relatively quickly discover ways to improve the organizational structure resulting from this consolidation, we believe it is only a question of time before Option 5 would be reconfigured to look something like Option 6 discussed below. Giving the DCI line control over these four entities would:

- Guarantee central, unitary control over the principal elements of the national intelligence community, which means that one individual would be responsible for the effective performance of most of the community and would have effective authority to ensure the overall quality of the effort.

- Make one individual responsible for the legality and propriety of most national intelligence activities.

- Create the potential for resource savings through DCI total responsibility, resource and line, over national systems.

As noted in the PRM, problem areas introduced by this option include:

- How the unity of the existing US SIGINT system could be maintained (assuming that the Service Cryptologic agencies which collect cryptologic information and feed it to NSA for processing remain in Defense).

- How sufficient responsiveness could be assured in crisis and war to the command responsibilities of the Secretary of Defense and the field commanders, given the fact that national collection assets are essential to the conduct of military operations, and their effectiveness in combat support is proportional to the extent they are integrated into the military command and control system at all echelons; and

- How the national assets themselves, which are critically dependent on Defense-operated support activities, could be effectively related to those support activities within Defense.

*Option 5A* would establish a Director/CIA who would be responsive in a line command sense to the DCI, as would the Director, NSA, and the heads of [*less than 1 line not declassified*] This seems sensible, indeed obvious, if further consolidation and realignment along functional lines as specified in Option 6 is *not* contemplated. Because we believe, however, that some realignment of these functions would be desirable—if not now, certainly in the future—this step would seem an unwise and unnecessary limitation on the DCI's authority to design an adequate overall organizational structure for the future, particularly since doing it would require changing present statute.

*Options 5B, 5C, and 5D*, which would apparently give line control over CIA to the NSC, the Secretary of State or the Secretary of Defense, respectively, while leaving the DCI in command of [*less than 1 line*



*not declassified*] NSA programs. These variations seem conceptually inconsistent with the thrust of the basic Option 5. They would deny the DCI direct control over the existing CIA production capability in the DDI, and force him to develop a duplicative production organization in order to carry out his most fundamental responsibility—advising the President on foreign developments of interest. As in Options 4C and 4D, it seems likely that CIA's present focus on national problems would be subsumed to departmental concerns if the Agency were transferred to either State or Defense. We find these options utterly without merit from any reasonable point of view.

*Option 5E* would disband CIA, moving the analytical components (the DDI) to the DCI's immediate organization, and moving other CIA elements to other unspecified organizations. If these "other" unspecified organizations are under the DCI's line control, Option 5E is really Option 6. If they are not, the same problems outlined for Options 5B through 5D apply. We see no point to this option at all; indeed, as written, it does not make logical sense.

#### *Option 6*

Option 6 is identical to Option 5 in that it would give the DCI (renamed the DFI) line control over the four national programs but differs from Option 5 in emphasizing management along functional lines.

*Option 6A* would provide for a DFI, assisted by three Deputies (for National Intelligence Production, Resource Allocation, and Collection), who would in the words of the PRM:

"—Task, allocate resources, and operate an Intelligence Analysis and Production Agency (NIPA) composed of present NIOs and CIA/DDI; a Clandestine Services Collection/Operations Agency (CIA) composed of present CIA/DDO and supporting elements of DDS&T; a unified SIGINT Collection Agency (present NSA); an Intelligence Space Support Systems Agency (ISSS) (composed [*2½ lines not declassified*])"

"—Retain resource allocation and tasking authority over DoD intelligence elements identified as part of the NFIP and review other intelligence elements." (Comment: This point is oddly phrased. If the DFI has line control over the [*less than 1 line not declassified*] NSA programs, they become *his* intelligence elements, not DoD's, though they would probably continue to be physically housed in Defense, at least for now.)

"—Be responsive to Secretary of Defense needs for timely support from all his elements in crisis and war." (Comment: How?)

This option places greater emphasis on management by functional lines, stressing continued diversity in analysis by maintaining separate centers while concentrating on reducing redundancy in collection programs. The PRM notes that the ability of the staff supporting the DCI



would be critical in ensuring that this greatly centralized structure was properly responsive to the needs of the departments.

*Option 6B* is identical except that additional DoD elements beyond NSA, [*less than 1 line not declassified*] would be selectively integrated under DFI control. “In addition to those elements assigned in Option 6A, those elements remaining in DoD which substantially contribute to National Intelligence collection would be integrated into DFI agencies. NIPA would still consist of NIOs and CIA/DDI, and provide a national intelligence data base accessible to all consumers. Army and Air Force HUMINT activity would be integrated with CIA. Secretary of Defense would manage the Defense Attache System IAW DFI directives.”

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#### 45. Telegram From the Department of State to All Diplomatic and Consular Posts<sup>1</sup>

Washington, June 7, 1977, 2206Z

131292. Inform Consuls. For Ambassador from the Secretary. Subject: Substantive Reporting.

1. In previous years, and particularly the last five months, I have been an active end-user of Foreign Service substantive reporting. I am more than ever convinced of the key role which reports from our posts abroad play in the conduct of American foreign policy. The President and I as well as your colleagues in the Department look to you for an accurate picture of developments abroad relevant to US interests, a balanced assessment of their significance, and thoughtful policy recommendations.

2. In fast-breaking situations, we need authoritative, objective reports on significant events and we must have your messages promptly. We also need, however, your analysis of the implications of these situations for US interests. Your predictions of the possible course of events, and your suggestions as to steps we might take. We want to have the full benefit of your views, before we choose specific courses of action.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Deputy Under Secretary for Management, 1978–1979, Chron September 11–12, 1978. Unclassified. Drafted by Leo J. Reddy (S/S-S) and James Ruchti (M/MO); cleared by Peter Tarnoff (S/S); approved in draft by Moose (M), Yost (S/S), and Joan Clark (M/MO); approved by Vance.

3. Whenever events indicate significant local or regional trends which could affect US relations with your area, I would like your personal assessment of these broader trends. Such assessments should take into account the interrelationship of political, security, and economic factors and the impact upon multilateral areas, including fields such as raw materials, energy, population and technology. I welcome your suggestions on appropriate US responses to such broad developments. An occasional analytical report of this kind can be more useful than a series of unconnected, non-analytical spot reports. Quality is preferable to quantity.

4. We are making a major effort in Washington to bring differing opinions into sharper relief, so as to give the President and other decision-makers a full range of options. Accordingly, it is most helpful to have your views, including dissenting opinion within your Mission, stated clearly and candidly.

5. I hope you will devote your personal attention to maintaining high standards of reporting. At the same time, I fully recognize that information must flow in both directions if you are to have the background you need to provide useful reporting and analysis. Therefore, I am asking the Department to keep the posts abreast of pertinent developments in Washington. I expect the appropriate bureaus and offices to provide you with timely guidance and background on issues of special interest to the Department and the other agencies concerned. I also want the bureaus to give you their reaction and that of other agencies to your reporting.

6. I fully recognize the limits to your resources. We are making an effort to reduce requests for reports both from within and outside the Department. You should let the Department know without delay of any requests from Washington that you find duplicative or marginal. At the same time, I urge you to distribute your telegrams and airgrams only to those posts that have a real need to know what you are reporting.

7. I would like to see the Department and the field engaged in a continuous substantive dialogue. Such an interaction will allow me and my associates in the Department to take full advantage of the reporting and analytical resources that exist in the field and to weigh the information being received from different perspectives.

**Vance**

**46. Briefing Memorandum From the Director of the Bureau of Intelligence and Research (Saunders) to the Deputy Secretary of State (Christopher)<sup>1</sup>**

Washington, June 13, 1977

*The Secretary's Views on Intelligence Community Structure*

The Secretary met Saturday<sup>2</sup> morning with Phil Habib, Herb Hansell, me and our staffs to discuss PRM/11 on intelligence community structure and mission, which comes before the SCC on Wednesday.<sup>3</sup> He said he would discuss the question with you on Monday,<sup>4</sup> but I thought this record of the meeting might also be useful to you in preparing for the SCC. We are scheduled to meet with you Wednesday afternoon.

We began by telling the Secretary we thought the SCC would concentrate on Intelligence Community organization rather than on the legislative proposals, and our meeting with him concentrated on that area. We suggest to you, too, that you begin with that subject. The cover memo in your book<sup>5</sup> provides a guide to the key papers.

Basing his view on his experience in the Defense Department, the Secretary believes that the DCI should have maximum authority over foreign intelligence matters consistent with the Secretary of State's own foreign affairs responsibilities. Specifically:

—The division of the national (as distinct from departmental or tactical) intelligence agencies between CIA and Defense is not right; it makes for lack of clarity in setting priorities, in tasking, and has resulted in wasteful duplication—"we collect twenty times as much as we can do anything with."

—A collegial mechanism should agree on priorities, but the rest of the process should be left to the DCI.

—The DCI should not task the Foreign Service.

—There is no question that the Department needs its own INR for close analytical links with the bureaus, but he would be willing to

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<sup>1</sup> Source: Department of State, INR/IL Historical Files, Box 4, Intelligence Community Reorganization, 1977 #2. Secret; Nodis. Drafted by Saunders and Emerson M. Brown (INR). Copies were sent to Habib and Hansell.

<sup>2</sup> June 11.

<sup>3</sup> June 15. See Document 47.

<sup>4</sup> June 20.

<sup>5</sup> Not found.

coordinate its budget with the DCI (the amount is so little he sees no real problem).

To Herb Hansell's question on Defense/DCI differences about the PRM/11 options, the Secretary reiterated his view that all national intelligence should be under the DCI. He had thought so when he was in Defense, and he thought so now. In Defense it had been thought that the creation of the Defense Intelligence Agency would reduce duplication and increase efficiency, but this had not worked out. Certainly the DCI should have budget control over the Community, and he said he would "not be unhappy" with DCI line control over NRO (satellite collection) and NSA (signals intelligence)—though "perhaps NSA was a little different" from NRO. The peace/war problem could be handled as Stan Turner suggests—if war comes the DCI would hand his gavel over to the Secretary of Defense.

To my question about how new collection systems proposals would be handled and analysis provided to the President, the Secretary said there should be collegial setting of priorities, and he didn't seem particularly to care who chaired the group that did this; disagreements would go to the President. The Secretary said he thought the DCI should have Cabinet rank.

The problem, the Secretary said, is in deciding what the users really need; this is not now being done. I said this is part of the problem of quality of product; the analysts now feel they are left out in the cold, with no clear idea of what top officials want from them. If the President and his top advisers could set directions and degrees of interest, it would help in bridging the gap between their needs and the analytical effort. The Secretary said the President and his top advisers and the DCI should decide the real priorities.

When I noted the problem in reflecting these views in organizational arrangements and Herb Hansell asked whether he had any organizational model in mind, the Secretary responded that the DCI should have charge of all national intelligence, with deputies for evaluation, production, science and technology, collection, etc. Tactical intelligence would be left to the military services.

On covert action, the Secretary said his theory was that a staff both to plan and carry out such action was the wrong idea, because it would be on the lookout for new projects. Instead, proposals for covert action should by their nature be *ad hoc*, with something like the present CIA clandestine services to carry out approved operations.

To Herb Hansell's question whether he had discussed his views with Secretary Brown, the Secretary said he had talked them over with the President and Stan Turner—whom he had advised to get the issues out in the open, rather than trying to paper them over—but his meetings

with Brown had been taken up with other subjects. He would make a point of raising the matter soon with Brown.

Herb Hansell noted that with the DCI and Defense taking opposing views, the Secretary's role may be key, and Phil Habib asked how the Secretary wanted you to handle the meeting.

The Secretary said he would discuss his views with you on Monday. He thought it should be a holding game at Wednesday's meeting, generally reflecting the lines taken in this discussion but not pressing for decisions. He said he would be meeting further with Secretary Brown and Stan Turner about the question.

As to the urgency of the structure and charter legislation questions, the Secretary said Senator Inouye at lunch yesterday had said the Senate Select Committee on Intelligence did not intend to get into organizational matters for another year.<sup>6</sup> Senator Inouye wants to talk with the President about them, but the Committee would not address them until next year. Asked whether this was also the Vice President's reading, the Secretary said he would inform the Vice President of his talk with Inouye. The Secretary also said Senator Inouye had said the Foreign Intelligence Bill on electronic surveillance<sup>7</sup> would move along in the Congress without difficulty.

Turning to the other two items on Wednesday's SCC agenda regarding the Intelligence Community the Secretary:

- agreed that draft legislation to curb abuses should move forward; and

- agreed that a foreign counterintelligence committee should be formed.

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<sup>6</sup> Senator Inouye chaired the SSCI.

<sup>7</sup> See Document 36. A June 1 PRM/NSC-11 Interagency Subcommittee Report to the Special Coordination Committee on "Lack of Authority for Electronic Surveillance Abroad and Physical Searches within and without the United States," also discusses this issue. (Central Intelligence Agency, Office of the Deputy Director for Intelligence, Job 82M00587R: Policy Files, Box 7, Folder 12: PRM/NSC-11)

## 47. Summary of Conclusions of a Special Coordination Committee Meeting<sup>1</sup>

Washington, June 15, 1977, 4:30–6:30 p.m.

### SUBJECT

PRM/NSC-11—Intelligence Structure and Mission

### PARTICIPANTS

The Vice President

A. Denis Clift

Fritz Schwarz

*State*

Warren Christopher

Harold Saunders

Herbert Hansell

*Defense*

Secretary Brown

Charles W. Duncan

David E. McGiffert

Deanne Seimer

Lt. General William Y. Smith

*CIA*

Admiral Stansfield Turner

James Taylor

*OMB*

James McIntyre

Edward R. Jayne

*Justice*

Attorney General Bell

Frederick Baron

John Harmon

*NSC*

Zbigniew Brzezinski

David Aaron

Samuel M. Hoskinson

Robert A. Rosenberg

### SUMMARY OF CONCLUSIONS

The first meeting of the full SCC on PRM/NSC-11, Intelligence Structure and Mission focused on the Part III Study, and in particular, on Section III of the report "Structural Options."<sup>2</sup>

Both Harold Brown and the Attorney General's Subcommittee (Part I) had recommended an early start in our inter-relationship with the Congress, *first* with those pieces of charter legislation concerned with safeguards against abuse. The SCC consensus was that the Administration's own thinking was most advanced in this area and this was a proper course of action. The Vice President added that his own discussions with Senator Inouye were along the same lines; that his committee is most concerned with first addressing safeguard legislation.

<sup>1</sup> Source: Central Intelligence Agency, National Intelligence Council, Job 91M00696R: Subject Policy Files, Box 2, Folder 1: PRM-11. Secret. The meeting took place in the White House Situation Room.

<sup>2</sup> See Document 41.

The SCC then approved the establishment of a senior working-level Coordinating Committee chaired by David Aaron to bring to the point of decision the work done on non-structural problems such as:

- The overseas counterpart of the domestic foreign intelligence electronic surveillance bill
- Foreign intelligence physical search legislation
- Restrictions on covert action and clandestine collection
- Oversight mechanisms
- Counterintelligence activities.

There was substantial deliberation over the eight structural options, focused on resource management, line authority, consumer requirements, tasking, production and accountability.

The debate resulted in a consensus that there are really somewhere between two to four realistic options to pursue in a follow-on meeting.

—Harold Brown favors an option that essentially modifies E.O. 11905 by enhancing PRC(I) and DCI resource management authority by removing ambiguities.

—Stan Turner supports a complete restructure of the intelligence community (except departmental analysis) under line, resource management and tasking authority of a “Director of Foreign Intelligence.”

—Warren Christopher agreed with Stan Turner’s approach generally except that he proposed establishment of a “Board of Directors” to which Stan Turner reports for review, guidance, and approval.

—The consideration of a “Consumers Union,” chaired by the National Security Advisor, that would establish intelligence collection and production requirements and priorities was proposed. This would provide a means to assure that consumers, rather than the intelligence community, set the needs from *[for]* intelligence.

It was agreed that these options should be further developed for consideration by the SCC during the week of 20 June prior to presentation to the President.

It was also agreed to develop a third option which, in addition to incorporating some of the above features, would be based upon concern for improving the quality of intelligence—in particular, political intelligence—as well as one which would focus on strict control of the clandestine service.<sup>3</sup>

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<sup>3</sup> Brzezinski initialed below this final paragraph.

#### 48. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>

Washington, June 17, 1977

SUBJECT

NSC Weekly Report #17

##### 1. *Opinions*

##### *Intelligence Reorganization*

Our SCC meeting this week on intelligence<sup>2</sup> narrowed the range of choice on structural options and reached agreement that we should proceed with legislation to protect American rights, even as we refine our thinking on the overall structure on the intelligence community. As you may know, Senator Inouye believes that the time is not ripe for legislation on the overall structure of intelligence community, and that this would only detract from the more urgent task of legislating reforms in the area of safeguarding against abuse. We set up a high-level working group, chaired by David Aaron to get the legislative drafting process underway.

On the structure of the intelligence community, we identified five key issues—which drive the choice of options:

- The degree of centralization of authority over intelligence agencies' budgets to ensure against duplication and waste;
- Line authority;
- The most effective way for consumers to be involved in tasking and requirements;
- The need for improved quality of intelligence—particularly political intelligence;
- The best way to ensure accountability—particularly over clandestine intelligence activities.

As a result of this discussion, three options emerged. The first, supported generally by Defense, would provide clarification and strengthening of the DCI budget making authority within the present collegial framework. It would also create a high-level "users" committee to direct tasking of the intelligence community, instead of the pres-

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 28, NSC Weekly Report, 2–6/77. Top Secret; Sensitive. Brzezinski did not initial the memorandum. A note at the top of the memorandum reads: "LDX'd to Pres at Camp David 6–18 AM."

<sup>2</sup> See Document 47.



ent system in which the intelligence community tasks itself. In other respects the structure of the intelligence community would remain essentially the same.

A second alternative, favored by Admiral Turner, would be to create a “czar” over the intelligence community who would have complete budget authority, full line authority over NRO and NSA and CIA, along with tasking and requirements setting authority. There was general agreement that under either option centralization would not extend to consolidating the analytical centers in the departments (INR in State and DIA).

A third option emerged out of concern for issues in addition to budget and line authority—that is, the quality of intelligence and the need for accountability. This option would incorporate the idea of more centralized budget authority, preferred by Admiral Turner, and the tasking and requirements setting by the consumers, supported by Harold Brown. However, it would have more radical structural implications in terms of consolidating the major technical intelligence programs, giving intelligence analysis higher priority and establishing tighter control over the clandestine service. All technical collection would be consolidated in one agency with line authority running to the Secretary of Defense. Clandestine human intelligence collection would become the exclusive activity of a foreign intelligence agency. (This would give this crucial source higher priority than it now has in CIA, where it is combined with intelligence analysis and major technical programs.) This agency would report either through the Secretary of State or the NSC to you, thus increasing accountability by eliminating several layers in the present system. A third agency would be created to provide both intelligence analysis/estimates, and have control over budgets. It would be headed by the Director of Central Intelligence, who, as the principal analyst, would be in the best position to assess the value of the raw intelligence product of the collection agencies and more effectively allocate resources among their programs. In this option, the organization and the purpose would be more directly wedded; resource inputs would be related to intelligence outputs under the DCI, major technical programs could be streamlined under the Secretary of Defense yet remain close to their consumers in the military.

We will meet again late next week to continue our discussion.<sup>3</sup>

[Omitted here is information unrelated to intelligence reorganization.]

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<sup>3</sup> Presumably a reference to the June 28 SCC meeting. The Summary of Conclusions of that meeting are in the Carter Library, National Security Council, Institutional Files, 1977–1981, Box 86, SCC019 Intelligence 6/28/77.

**49. Memorandum From the Director of Net Assessment,  
Department of Defense (Marshall) to Secretary of  
Defense Brown<sup>1</sup>**

Washington, June 20, 1977

SUBJECT

DOD vs. DCI Control and Management of Intelligence Assets

I do not know the truth of the reports in the newspapers of your and Stan Turner's differences about shifting of NSA, NRO and other assets to DCI management and control.<sup>2</sup> If this is a major issue, I want to bring to your attention a line of argument for management and control remaining with Defense.

A couple of years ago Jim Schlesinger and I became concerned that many of our intelligence collection activities and major processing operations were optimized for peace time operations and there appeared to be little preparation for continued effective operations should war occur. Schlesinger became so concerned he asked NSA to begin a study of continued operations in the European theater should a war occur.<sup>3</sup> I do not know the outcome of that study except that the first reports suggested the problems were very difficult. In any case, intelligence organizations appeared to give insufficient attention to surviving and functioning. I suggest that if these organizations are transferred out of Defense the likelihood of their doing so might be decreased still further. Substantial management attention to this kind of a problem seems more likely if Defense management continues.

This may be an additional argument that you might find useful.

**A.W. Marshall<sup>4</sup>**

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<sup>1</sup> Source: Washington National Records Center, RG 330, OSD Files: FRC 330-80-0017, Box 42, 350.09 (June) 1977. Secret. "Sec Def has seen" is stamped in the upper right-hand corner. "OBE" is written in an unidentified hand, and Brown wrote, "6/20 Andy, Thanks. HB."

<sup>2</sup> See, for example, Lee Lescaze, "Pentagon vs. CIA: Control of Intelligence Community Sparks Major Institutional Battle," *Washington Post*, June 10, 1977, p. A1, and Hedrick Smith, "Intelligence Officials Are Split by Plan to Create Overall Chief," *New York Times*, June 12, 1977, p. 1.

<sup>3</sup> Not further identified. Brown noted in the margin, "Dave McG, John Kester—Let's get the study Jim S. argued for. That info may be very useful for backing up our contention on peace/war transition. HB."

<sup>4</sup> Marshall signed "Andy" above this typed signature.

50. Paper Prepared in the Department of Defense<sup>1</sup>

Washington, undated

STRUCTURE OF THE INTELLIGENCE COMMUNITY AS  
PROPOSED BY THE DEPARTMENT OF DEFENSE

The principal problem with the present intelligence effort is that it is not adequately responsive to users, whether they are national, departmental or tactical. The central issue in assessing the options available to solve this problem is whether a community orientation should, with appropriate modifications, continue to characterize the approach to intelligence, or whether there should be, *de facto*, a separate department of intelligence. In the view of the Secretary of Defense and the Joint Chiefs of Staff, the pluralism of the community approach reflects the reality of diversity among users' needs as well as a prudent means of controlling excesses, whether they be budgetary or ethical. More specifically, a community approach

- reflects, and thus is likely to be more responsive to, the wide range of consumers—whose needs sometimes overlap and sometimes differ greatly—from the President to tactical military commanders;
- encourages independent analytic centers—and collects responsively to their needs;
- ensures readiness for war; and
- provides checks against abuse.

This paper proposes a series of organizational changes, collectively described as “Option A,” that will improve the existing intelligence capability. These changes maintain a “community” approach but improve the mechanisms through which the community operates. The benefits of the community approach are so substantial that the proponents of a single intelligence command approach should bear the burden of demonstrating that perceived deficiencies in the present system are real, recurring, and so great that the changes proposed for the present system cannot succeed.

Option A includes nine significant changes to the current system:

- *Restructuring of system for setting priorities:* Responsibility for setting intelligence requirements and priorities would be separated from management policy, operating policy and budget decision-making by setting up a new committee of consumers. It would include the Vice

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<sup>1</sup> Source: Central Intelligence Agency, Office of the Director of Central Intelligence, Job 97M00248R: Policy Files, Office Level and Above, Box 2, Folder 16: Intelligence Structure and Mission (Folder 5). Secret. A handwritten note in the upper right-hand corner reads, “Rec’d 7/7/77.”

President, the Assistant to the President for National Security Affairs, the Secretary of State, the Secretary of Defense, and other user departments who would be represented on a rotating basis. This priorities committee would be supported by the NSC staff.

- *New tasking procedure:* Responsibility for tasking collection facilities during peacetime would be explicitly delegated to the DCI. He would seek the advice of committees of consumer and producer representatives. Tasking decisions could be appealed by consumers to the priorities committee, there to be finally decided.

- In crisis or war, power to task collection facilities would be delegated to the Secretary of Defense.

- *Expanded access to data:* Access to the data produced by each collection facility would be specifically authorized for each production facility.

- IC staff members designated by the DCI would have explicit authority for direct access to program managers, with information copies of requests to a designated point within the department concerned.

- *Revised budget procedures:* Responsibility for preparing budget requests for each of the intelligence entities would rest with the department or agency with line authority over the entity. Those budget requests would be submitted to, reviewed and amended by the PRC(I), chaired by the DCI and supported by the IC staff. Appeals would be directed to the NSC. The PRC(I) would submit a consolidated intelligence budget to the President.

- The budget approved by the PRC(I) would be “fenced” from departmental or DCI changes. Reprogramming decisions requiring Congressional action would be made by the PRC(I) and below that level by the departments.

- The IC staff would have explicit authority to verify program and budget implementation by the departments.

- *Improved safeguards against abuse:* The DCI would be divested of current responsibilities for ensuring strong inspector generals community-wide. In order to avoid conflict of interest, these responsibilities would be transferred to the IOB.

Option A can be measured against a series of eight objectives common to all intelligence activities.

1. Diversified and high quality service.
2. Readiness for crisis or war.
3. Adaptability to shifts in emphasis and technological change.
4. Safeguards against abuse.

5. Efficient management of high-dollar assets.
6. Balance between funds devoted to intelligence and funds devoted to other programs.
7. Pooling information and collaborating in judgment.
8. Independent source of judgment.

There is general agreement on these eight objectives within the existing intelligence community. There is less agreement on the extent to which these goals can be achieved through organizational change. The discussion that follows considers the utility of organizational change generally and of Option A specifically.

1. *Diversified service.* High quality intelligence must be made available to the President and to a wide spectrum of users that reaches horizontally across a dozen Executive departments and vertically through four or more levels of line authority within those departments; and beyond that to an extensive military constituency ranging from the Joint Chiefs of Staff down through more than 6,000 military command units. The principal problem with the current system is that the intelligence produced is not sufficiently responsive to the needs of these users. Solving this problem requires that the system collect the data necessary to meet user needs; that it have adequate information processing capability and sufficient able analysts to produce the type of intelligence (broad or specific, long or short range) that users need; and that it be structured to allow competing views to come to policy-makers' attention. Option A structures the system to be responsive to consumer needs to the extent this can be done by organizational change.

(a) *Setting priorities.* Requirements are specified to make the intelligence community responsive to consumer needs by identifying topics of consumer concern and setting priorities among those topics. Under the present system, requirements are often set by producers of intelligence, acting through the DCI or the PRC(I), rather than by consumers. Option A proposes that requirements be established by a committee of consumers composed of the Vice President, the Assistant to the President for National Security Affairs, the Secretary of State, the Secretary of Defense, and one of the other consumer departments who would be represented, as designated by NSC, on a rotating basis. This would assure direct consumer input in a forum set aside exclusively to deal with the problem of responsiveness. Option A would also provide support for the priorities committee from the NSC staff. This would be a change from the current system under which the setting of priorities is managed by the IC staff in its role as providing support for the DCI.

(b) *Collecting Information.* Effective user input into the establishment of general priorities solves only half the problem of how to make the intelligence effort more responsive to consumers. There must also be

effective user input into the method by which those general priorities get translated into day-to-day collection activities. Under the current system the DCI has tasking authority over the collection facilities. Each of the community's major intelligence elements is represented on the DCI's Committee on Imagery Exploitation (COMIREX), Signals Intelligence Committee, and Human Resources Committee. Consumer representation allows the committees to make informed recommendations about the relative need for data from the many targets which can provide information. If the committees are unable to reach decisions through consensus, the DCI decides. Under the current system the DCI also has the prerogative of making collection tasking decisions himself, without committee participation.

Collection tasking currently faces four problems: lack of a mechanism to appeal tasking decisions that are considered by consumers to be unresponsive to important consumer needs; inadequate coordination between the DCI imagery, signals, and human collection committees; difficulty in having some of the human collectors respond to committee tasking; and absence of Secretary of Defense tasking authority in time of crisis or war. Option A proposes that the DCI retain authority over collection tasking and that it be made explicit; that the present committee structure be modified, as the DCI deems appropriate, to allow for better "all-source" coordinated collection; that consumers have a mechanism to appeal tasking decisions; and that the Secretary of Defense be given wartime and military crisis collection tasking authority.

The problem of obtaining effective consumer input into the collection tasking process is readily resolved within the current system. Option A provides an appeal mechanism so that, where necessary, consumers can redefine tasking directions to be more closely responsive to their needs. Appeals would be to the priorities committee on which only consumers sit. This mechanism would, in operation, allow the priorities committee to consider requirements priorities down to the level of specificity necessary to make the system responsive to their needs. In an emergency, the chairman of the priorities committee and the DCI could act alone.

The problem of inadequate coordination between the collection committees can be solved within the current system since the committees are jointly served by the DCI's IC staff, a member of which chairs each of the committees. This problem should be susceptible of solution either by some consolidation or by the DCI appointing a "Director for Collection" or both. Under Option A, the DCI's authority over such reorganization would be made explicit so no misunderstanding could occur.

It is more difficult to solve the perceived problem of improving the response to consumer requirements of the human collectors. The

majority of such collectors are foreign service officers and other governmental officials who are not formally members of the intelligence community even though they provide large amounts of information for the community's use. Attempting to exercise greater intelligence community authority over these officials probably would be counter-productive to the broader governmental task because closer association with intelligence work would cause them to be viewed with suspicion or caution by their normal sources. Even without greater intelligence community authority, however, the great volume of information that these human sources already produce can be better utilized through better management of the existing flow of information with computer capability or other systems and better coordination of these resources. Under Option A, these information management and coordination functions would be lodged with the DCI.

The absence of tasking authority for the Secretary of Defense in times of military crisis or war may have been the result of an oversight when the current Executive Order was drafted. Explicit authority for the Secretary of Defense to task collection facilities directly during crisis or wartime, and the conduct of peacetime exercises to practice such tasking, is necessary to provide for smooth transition from peacetime conditions. Under Option A the decision with respect to "passing the gavel" on tasking responsibilities would be provided for by amending E.O. 11905 to give this authority to the Secretary of Defense. In the event of crisis or war the system would be in place and there would be no need for procedural decisions to be made at a time when substantive decisions are critical.

(c) *Obtaining high quality analysis.* Human analytical talent is one of the most important factors in producing sound intelligence judgments that are directly responsive to user needs. High quality analysts make their greatest contribution when the support systems—such as capable linguists and high capacity computers—are adequate. The managerial and personnel aspects of this problem predominate and they do not respond to organizational change. Indeed, major structural changes may cause personnel losses by disrupting established working conditions, downgrading perceived importance of contributions to the intelligence effort, untying established loyalties and changing other non-monetary benefits of the current system. The technological aspects of this problem do not respond to organizational change either. Very sophisticated computers and computer programming are necessary to further enhance collection assets and that is a managerial and personnel, not an organizational, problem. Option A accordingly proposes to maintain the present system of line control over analysts and their support systems.

(d) *Providing for competing views.* Only by maintaining independent, competing analytic centers will policy-makers have available to them



the best possible intelligence. Option A proposes to continue the existing independent departmental analytic centers—DDI (CIA), DIA (Defense) and INR (State)—and the present system of having both coordinated production of national intelligence through the DCI and independent departmental production of intelligence on matters of national significance. Option A strengthens this capacity for competing views by providing explicitly that every production facility will have access to the information or data gathered by every collection facility within the community. To be effective, this must be accompanied by special efforts to remove unnecessary restrictions imposed by compartmentation.

2. *Readiness for wartime.* Option A provides an adequate structure within which to manage the transition from peace to crisis to war. It provides for the Secretary of Defense to have crisis and wartime tasking authority and maintains the current system in which the military are fully integrated into the operation of the technological collection facilities that are of primary importance to the military mission. This integration allows for optimum use of intelligence in support of military operations. Intelligence collection and analysis is a function that in crisis or war situations must be performed extraordinarily well. Military participation in peacetime is central to readiness for crisis or war.

Field commanders now operate the intelligence collection, processing and production systems every day, and they learn to use intelligence efficiently, as an integral part of their command operations. In wartime or in crisis, the system can operate in the same fashion as it does in peacetime. There is no period of confusion or delay as military personnel take on formerly civilian functions or as the emphasis of the system shifts from partial to primary involvement in solving military problems. Line control of intelligence collection, processing and production facilities by DoD means that military officers have a substantial incentive to become specialists in intelligence work. They have career patterns available to them that promise substantial advancement for excellence in intelligence work. Moreover, the extensive use of military personnel provides flexibility as to assignment in hardship, afloat or overseas posts on short notice that would be more difficult to achieve with a civilian work force.

The current allocation of substantial line authority over major collection agencies to the Secretary of Defense is critical to readiness for war. It enables each of the technological intelligence collection agencies to work in the closest way with non-intelligence military operations and support elements.

The signals intelligence system combines NSA and the military service cryptologic agencies to establish a single organization providing the high technology and the necessary interrelationships, both technical



and managerial, that successful signals intelligence requires. The combined NSA/CSS gives the service cryptological components in the field the necessary NSA cryptological support to meet military requirements and thereby avoids the necessity of military duplication of NSA assets. Likewise, the NSA/CSS amalgamation maximizes efficient resources allocation because NSA itself receives the benefit of substantial military support including the [number not declassified] military personnel assigned directly to NSA and [number not declassified] additional military people engaged in various aspects of the SIGINT collection process on a worldwide basis.

The [less than 1 line not declassified] takes full advantage of the established procedures and support capabilities for acquiring and operating satellite reconnaissance vehicles. The office provides strong, national leadership in the development, management, control and operation of [1½ lines not declassified] The [less than 1 line not declassified] direct manpower support requirements total [number not declassified] of whom [number not declassified] are members of the Department of Defense and approximately [number not declassified] are uniformed military personnel. In addition to those military personnel directly assigned to the [less than 1 line not declassified], another [less than 1 line not declassified] members provide essential indirect support including meteorological data, airlift, provision of launch vehicles, and program office personnel.

[1 paragraph (7 lines) not declassified]

These programs function well. Military resources serve both national and tactical needs; national intelligence needs arising outside the Department of Defense are met. [4 lines not declassified]

3. *Adaptability to shifts in emphasis and technological change.* Adaptability to shifts in emphasis is a matter of responsiveness to consumer needs, and is discussed above (pp. 4–6). Adaptability to technological change is a more complex problem.

Our national technical intelligence systems are markedly superior to those of the Soviet Union, and provide us with a vital strategic counter to the relative intelligence disadvantage we face because of the Soviets' closed society. This superiority has resulted from the effective and imaginative exploitation of our superior technical base [9 lines not declassified]

[2 paragraphs (27 lines) not declassified]

Option A recognizes the critical nature of this transfer and organizes to enhance it. A national intelligence organization not integrated with the military would build an organizational fence around intelligence which would convert a difficult problem to a near impossible one. As noted above, NATO has no prospect in the foreseeable future

of matching the Warsaw Pact in numbers of tanks and guns. It must instead use technology, particularly in intelligence, as an effective force multiplier. This technology is changing rapidly and to explore it properly requires an organization which integrates intelligence with weapons systems, and with military command and control, not one which isolates it from them.

4. *Safeguards against abuse.* Preventing abuse and promoting public confidence in the intelligence community are crucial objectives of any community restructuring attempt. Option A is designed to be responsive to both these considerations.

In the first place, important checks and balances are inherent in a relatively decentralized system. To find abuse is difficult enough; to uncover it in a centralized bureaucracy is even more difficult. Public trust in the intelligence system also responds in some measure to the organization of the system. A monolithic system is likely to cause more public concern than is a decentralized system, such as that suggested by Option A, where information on abuses can rise through several alternate channels.

Second, the DCI has no present responsibility to control abuse throughout the community, although under E.O. 11905 he is supposed to ensure strong departmental inspectors general. Assumption by the DCI of community-wide responsibility to control abuse would create a conflict of interest since DCI is a collector of intelligence through the Clandestine Service on which investigations of abuse have centered. To eliminate the conflict of interest this duality of roles creates, Option A suggests divesting the DCI of even his present limited role with respect to abuse in agencies other than CIA. Responsibility for ensuring strong departmental inspectors general should be lodged in the Intelligence Oversight Board to whom they now report.

5. *Efficient management of high dollar assets.* The efficient management of high dollar assets involves two distinct components: (a) optimally utilizing the intelligence community's present resources to achieve its goals; and (b) purchasing future assets in such a way that the community will be able to provide an optimal output in the future.

(a) *Efficient use of current resources.* There are three aspects of efficiency with respect to current resources that should be considered: responsiveness to users, integration between the intelligence community and military personnel and support systems, and elimination of duplication of effort. Option A will provide for efficient operation in each of these areas. First, as discussed above at pp. 4-6, the option

will enhance the system's responsiveness to users. Second, [3 lines not declassified] As the Church Committee noted,<sup>2</sup>

"despite the magnitude of the tasks and the complexity of the relationships, most of the important collection activities conducted by the Defense Department (the reconnaissance and SIGINT systems) are managed relatively efficiently and are generally responsive to the needs of the military services as well as to the policymakers on the national level" (Vol. 1, p. 462)

Finally, Option A minimizes unnecessary duplication. To be sure, under Option A there can be duplication of effort on the production (as distinct from the collection) side as when, for example, [less than 1 line not declassified] and CIA both produce analyses of Soviet force structure. This duplication, however, is precisely what produces the diversity of views within the intelligence community upon which, it is agreed, sound intelligence judgements rest. As such, this sort of duplication adds to, rather than detracts from, the effective provision of intelligence. Moreover, on the production side the system is using relatively low-cost assets (primarily analysts). It is on the collection side where the system is using very high-cost assets (satellites, aircraft, submarines, computers and electronic signals equipment) that duplication of effort could be a significant problem but, as the Church Committee noted with respect to the technological collection activities, there is no inefficient duplication of effort under the current organizational structure.

(b) *Efficient acquisition of future assets.* Under E.O. 11905, the PRC(I) now produces a consolidated national foreign intelligence budget by reviewing and amending the component budgets presented to it by the departments and the CIA. Option A continues this centralized budget-making mechanism with three substantive modifications that would improve the efficiency of this system.

First, the IC staff would have explicit authority for direct access to program managers to obtain program and budget data provided that a central coordinating point within the department was kept informed. This would end any concern about access to program information.

Second, the PRC(I) would make all intelligence budgetary reprogramming decisions which require Congressional action, while the departments would make the smaller reprogramming decisions which fall into the Congressionally exempted category. Such an arrangement would ensure that the PRC(I) determines when and how to approach Congress on reprogramming decisions of relative significance, but would avoid unnecessary bureaucratic layering and give the depart-

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<sup>2</sup> See footnote 5, Document 41.

ments appropriate flexibility on reprogramming decisions of relatively minor consequence.

Third, the IC staff would have explicit authority to verify resource allocation to ensure that budgetary decisions were carried out in the manner intended.

The resource allocation mechanism proposed by DOD—maintenance of the PRC(I) with the modifications suggested—will serve the goal of maximizing efficient acquisition of resources for the future. The mechanism is new, however, and it should therefore be recognized that the difficulties the PRC(I) encountered last year were to a significant extent the sort of procedural problems that any new organization will face. These are being progressively solved in practice, and Option A proposes formal changes to the structure that complete that process. The other significant difficulty created by the PRC(I)'s performance last year was its failure to consider cross-program trade-offs. This was largely the result of time constraints. More time and greater familiarity with the budgetary process should allow the PRC(I) to make cross-program decisions. Indeed, a primary benefit of the centralization of the budgetary process in the PRC(I) is that it allows for efficient development of the budget by providing a mechanism for the very kind of cross-program trade-offs that the PRC(I) did not have time to make last year.

Efficient management is also served by that aspect of the PRC(I) mechanism that provides for the departments (and the CIA) to originate the various components of the national intelligence budget. This allows the departments to respond to their specialized intelligence needs, to assess initially the relative importance of intelligence and non-intelligence resources, and to ensure that newly acquired intelligence assets will be compatible with the existing intelligence and non-intelligence assets with which they must be used. A budget originated outside the departments would be unlikely to perform these important functions.

The PRC(I) performs another important function in the efficient acquisition of future assets. Efficient management of intelligence community budget decisions is substantially handicapped because no calculus is available to measure the real impact of different resource decisions. Instead, subjective judgments by the decision-makers play an enormous role. As the Church Committee stated:

“Lacking a sound methodology by which to relate outputs to inputs, management by the intelligence community must remain as subjective as the product in which it deals. . . .

Thus, “the [resource allocation]<sup>3</sup> issue can only be evaluated subjectively, taking into account those few factual statements that are at hand

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<sup>3</sup> Brackets are in the original.

and the judgments of the intelligence experts (recognizing, of course, the institutional biases the judgments may reflect).” (Vol. 1, pp. 340, 339).

Reorganization cannot create the conceptual methods to measure utility and the impact of various alternative strategies. These needs respond to innovative personnel rather than to changes in organization. In such circumstances, the collegial PRC(I), which allows for interplay of subjective judgments among the various departmental representatives, is far more likely to arrive at an appropriate resource judgment than a wholly centralized mechanism having its own institutional orientation and lacking the necessity of responding to the (perhaps more valid) orientations of the departments.

6. *Balance Between Funds Devoted to Intelligence and Funds Devoted to Other Programs.* Under Option A, the departments initiate the intelligence budget and are required, in doing so, to take into account the constraints placed upon that budget by their need for other, non-intelligence assets. Additional intelligence/non-intelligence trade-offs can take place under the Option A in the PRC(I) where most of the principals have an obligation with respect to non-intelligence programs, and at the OMB and Presidential levels. Maintaining the present PRC(I) budgetary system will ensure continued attention to achieving an appropriate balance between funds devoted to intelligence and funds devoted to other programs.

7. *Pooling Information and Collaborating in Judgment.* Option A provides for collaboration in judgment of the several analytic centers and the pooling of data to this end. Currently, the three chief production centers, DDI, [less than 1 line not declassified] and INR, respond to requests from the DCI. In the development of National Intelligence Estimates, [less than 1 line not declassified] INR the political information, and DDI the economic information. Option A proposes the continuation of the independent analytic centers and the present system of collaborative judgment.

Option A also improves the pooling of data between analytic centers. While data has traditionally been pooled, problems of access have developed from time to time and have been exacerbated by overly compartmentalized classification systems. Option A proposes that there be an explicit authorization for the analytic centers each to have access to the data collected by the various collection systems and a working group established with authority to eliminate any excessive compartmentation.

8. *Independent Source of Judgment.* Providing an independent source of judgment to senior policy-makers requires that three distinct principles be adhered to. First, the community must have an analytic center that can operate free from departmental bias (although it is well to

recognize that any institution ultimately takes on its own biases). Second, the chief spokesman with respect to intelligence matters must have sufficient time to devote to the process of developing intelligence judgments. Third, the organizational structure of the community must allow for competing views on matters of national import to come to the policy-makers' attention.

Option A meets each of these requirements. The DCI would be retained as the President's chief advisor on major intelligence questions, with the CIA under his line authority to provide him analytic support. The DCI's principal responsibility would be producing intelligence judgments. No additional line management responsibilities would be added to dilute this responsibility. The independent departmental centers would be retained, free to produce intelligence of national significance on matters they deem appropriate.

### *CONCLUSION*

Option A adds new elements to meet demonstrated needs not now served by the current system, retains the elements of the current system that work well, and clarifies the elements of the current system as to which there have been ambiguities in the past. It uses collegial mechanisms where they provide substantial benefits, centralized control in the DCI where the efficiency to be gained by that approach outweighs adverse impacts, and decentralized line management where requirements can best be served by that approach. In particular, it protects military readiness and combat capability, now and in the future. This option is a realistic remedy for those specific deficiencies in the current system that are responsive to organization change.

**51. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>**

Washington, July 9, 1977

**SUBJECT**

Reorganization of the Intelligence Community

The SCC has completed its deliberations concerning reorganization of the Intelligence Community. A detailed summary of these discussions is at Tab A.<sup>2</sup>

*The Issues*

Considerable progress was made on several important issues. However, a fundamental difference of opinion remains over the basic issue of line control of predominantly national intelligence activities. The issues on which there is general agreement (but some differences in detail) are as follows:

—*Requirements.* There is a general agreement that major consumers should play a dominant role in establishing requirements for national intelligence and prioritize them through some sort of high level committee mechanism.

—*Tasking Authority.* There is general agreement that the function of translating consumer requirements into detailed intelligence collection objectives and the assignment of these to intelligence collection organizations (i.e., tasking) should be controlled by the DCI during peacetime.

—*Resource Management.* There is general agreement that all national intelligence programs should be developed and budgeted within the context of a consolidated National Foreign Intelligence Program (NFIP) and that the DCI should play the leading role in this process.

—*Production.* There is general agreement that national intelligence analytical production should remain the primary responsibility of the DCI but that independent departmental analytic centers should continue to exist. All agree that the DCI should remain the principal substantive intelligence advisor to the NSC and the President.<sup>3</sup>

—*Accountability.* There is unanimous agreement that accountability is important to ensure protection against abuses. However, different views exist as to whether accountability is best achieved by centraliza-

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, Box 33, PRM-11, 2 of 2, [1]. Secret. Sent for action.

<sup>2</sup> Not attached.

<sup>3</sup> Carter wrote "OK" in the margin beside this and the three preceding paragraphs.



tion of balanced authority and responsibility in a direct chain of command *or* through a degree of decentralization.

The principal issue concerns line authority, particularly over the military and technically oriented organizations and programs in the Department of Defense.

—*Stan Turner* does not believe he can carry out his Intelligence Community leadership and operational responsibilities without full line control powers to match them. He believes that the historical record of 30 years indicates that any adjustments in the status quo will not suffice and that only full centralization of balanced responsibility and authority will result in the national intelligence effort you desire.

—*Harold Brown* believes that the present decentralized intelligence system is responsive to both the critical needs of the military and the national level requirements of the DCI. In his view, centralization would diminish readiness for war, reduce responsiveness to consumers and decrease protection against abuse and budget escalations. He believes that present weaknesses in the system can be rectified largely by strengthening the DCI's role in the management of community resources.

—A third view represented by *OMB* would centralize critical intelligence management functions under the DCI while leaving other responsibilities such as personnel actions and support activities as presently assigned.

—*Cy Vance* favors giving the DCI full line control over all predominantly national intelligence activities based on his own past experiences in the Department of Defense.

### *The Options*

Stan Turner, Harold Brown and OMB have each developed detailed options for your consideration.

—*Brown's option* (Tab B)<sup>4</sup> modifies the status quo by (a) strengthening the DCI's and PRC (I) role in managing all national intelligence resources, (b) providing for a high-level consumers committee within the NSC system to establish intelligence requirements, and (c) explicitly delegating to the DCI all responsibility for tasking collection facilities during peacetime (subject to appeal to a consumers committee) and to the Secretary of Defense during crisis or war. No changes would be made in the basic organizational structure of the Intelligence Community or in its normal daily mode operation.

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<sup>4</sup> Not attached, but see Document 50.



—OMB's *option* (Tab C)<sup>5</sup> centralizes critical intelligence management functions under the DCI while leaving other functions normally associated with line management decentralized. This option diversifies the authorities inherent in the secretaries of most governmental departments as follows:

- The DCI would have full responsibility for all aspects of the resource management of national foreign intelligence activities, the formulation of intelligence collection requirements, the specific tasking of intelligence collectors and national analytical production. Structurally, the present technical collection and processing elements of CIA would be transferred to DOD where they would be integrated with like elements. DOD clandestine human source collection activities would be consolidated with the clandestine activities of CIA in a separate agency reporting to the DCI. The remaining analytic production elements of CIA would compose a new agency under the line authority of the DCI.

- Personnel administration, support activities and audit/inspector general functions remain largely as presently assigned under departmental arrangements because they are less immediately related to intelligence needs and to serve as a check on political misuse of authorities by the community leader.

- The NSC would continue to provide policy guidance and, in addition, a Consumers-Producers Union would be formed under the NSC to identify and prioritize consumer analytic product requirements and provide performance evaluation.

*Stan Turner's option* (Tab D)<sup>6</sup> strongly favors full centralization of national intelligence activities. He would place the present CIA, NSA, NRO [*less than 1 line not declassified*] under the full line management control of the Director of Central Intelligence and functionally integrate some major collection systems. Departmental analysis units would remain basically independent of DCI control. A high-level interagency consumers committee would be established to identify priority national intelligence needs, subject to your approval, and a DCI controlled joint civilian-military center would actually task collection systems.

#### *Next Steps*

The SCC has exhausted the limits of constructive debate on this subject. At this point, therefore, you have the following alternatives:

1. You could make your decision on the basis of the materials attached with this memorandum. I believe, however, that you should

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<sup>5</sup> Not attached.

<sup>6</sup> Not attached, but see Document 42.

first provide both Harold and Stan an opportunity to make their cases directly to you in each other's presence.

2. You could conduct a private meeting with the key principals on the basis of which you would then make your decision. This would give you an opportunity to systematically probe the logic of their positions and all concerned would feel they had an ample opportunity to make their views known to you.

3. A formal NSC meeting could be convened in which each of the key issues discussed in the SCC could be more systematically examined. Under the National Security Act of 1947, the NSC is technically responsible for considering recommendations on the conduct of intelligence activities.

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**52. Minutes of a Meeting Among Vice President Mondale, Secretary of Defense Brown, Attorney General Bell, Director of Central Intelligence Turner, and the President's Deputy Assistant for National Security Affairs (Aaron)<sup>1</sup>**

Washington, July 13, 1977

## INTELLIGENCE REORGANIZATION

### *Priorities and Requirements*

It was agreed that a committee of the National Security Council should be established to set intelligence priorities and overall requirements. It was noted that a way would need to be found to periodically bring in secondary intelligence consumers such as Treasury, Commerce, Agriculture, ERDA and the National Science Foundation.

### *Budget Authority*

Secretary Brown conceded that the right of decision of the national intelligence budget should belong to the DCI. In this connection, the DCI would be able to reprogram appropriations among intelligence programs. He suggested that the PRC(I) be changed from a collegial decision-making body to an advisory body to the DCI. The budgets should continue to be prepared by the intelligence agencies initially so that intelligence could be traded against other priorities and then

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Subject File, Box 30, Intelligence Reorganization, 1-7/77. Secret; Sensitive.

subsequently formed into an overall national intelligence budget under the direction of the DCI. He also asked for the right to submit reclamation to the DCI's decisions to the President.

The Vice President suggested that appropriations would go to the DCI with recommended allocations among the intelligence programs. As part of the DCI budget authority, he would have the responsibility and authority to do program evaluations and analyses.

The Secretary of Defense agreed but noted that it would be necessary to work out the details.

Director Turner said that the revamped PRC(I) should not be an NSC committee but a committee of the Director of the Central Intelligence. He emphasized the importance of being able to go behind the departmental budgets being presented to him in preparing a national intelligence budget. He expressed concern about the conflict that would exist when intelligence agencies would be asked both by the Secretary of Defense and the DCI to prepare budgets. He said he felt he needed line authority to properly implement increased budget authority.

#### *Tasking*

The Secretary of Defense said that the DCI should be the decision-maker for tasking during peacetime. He said that he had two reservations: first, he would like to have a system in which he could make a reclamation for a particular tasking decision. Secondly, he would like to be able to exercise the switch-over from peacetime DCI tasking to wartime tasking by the Secretary of Defense.

#### *Line Authority*

Admiral Turner insisted that line authority over the NRO/[*less than 1 line not declassified*] NSA, etc., was necessary in order to make the above agreed-upon improvements in budgeting and tasking effective.

#### *Conflict of Interest*

The Attorney General said that there was concern about the DCI heading one agency (CIA) while passing on the budgets of competing agencies. Rather than separating himself from line authority over the CIA, Admiral Turner said the solution was to give the DCI line authority over the other intelligence agencies as well.

**53. Memorandum From the Chairman of the Joint Chiefs of Staff (Brown) to Secretary of Defense Brown<sup>1</sup>**

JCSM-297-77

Washington, July 16, 1977

**SUBJECT**

Intelligence Reorganization (U)

1. (C) The interagency deliberations on PRM-11 (intelligence reorganization) have brought into sharp focus differing views on the preferred organization of the US Intelligence Community. Accordingly, the Joint Chiefs of Staff believe it advisable to provide you their views on the proposed intelligence reorganization. Responsive and timely intelligence is critical to fulfillment by the Joint Chiefs of Staff of their statutory responsibilities.

2. (C) The current review of the intelligence structure and missions has been initiated from a desire to:

- a. Improve intelligence support to the consumer.
- b. Eliminate the potential for any illegal activity.
- c. Economize on resources and minimize unnecessary duplication.
- d. Improve the existing control over intelligence.

3. (C) While supporting any effort to improve the intelligence provided to consumers by national and tactical intelligence entities, the Joint Chiefs of Staff have no fundamental criticism of the collection, analysis, production, and performance of the Foreign Intelligence Community as presently structured. Improved production and performance must be a primary goal in any intelligence organization, but that goal can be achieved by improved management and command interest and therefore does not necessarily provide a justification for reorganization. Further, the need for a mechanism that permits competing estimates has been adequately shown recently—specifically in relation to the question of the Soviet military budget.<sup>2</sup>

4. (C) The case for organizational change rests primarily on the needs to prevent the improper use of intelligence assets, to improve the responsiveness to users, and to achieve economies by the elimination of unnecessary duplication. Most of the documented cases of significant abuse were attributed to the Central Intelligence Agency. Thus, the consideration of increasing the centralization of authority under the

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Subject File, Box 30, Intelligence Reorganization: 1-7/77. Secret.

<sup>2</sup> Not further identified.

Director of Central Intelligence (DCI) in a dual-hat role would be contrary to the lessons learned and counterproductive to efforts at regaining the public confidence. In fact, separating the DCI from CIA better addresses the perceived problems. With respect to responsiveness, greater responsiveness to user needs is more likely to occur through greater involvement of the user in establishing requirements. Finally, fiscal saving is always an appropriate objective; however, this must not, by itself, dictate reorganization.

5. (C) The Joint Chiefs of Staff have discussed the salient issues surrounding the organization of the Intelligence Community and the desired DCI role, including the means of enhancing his ability to execute his legislated duties. The following views of the Joint Chiefs of Staff are pertinent:

a. Responsive and comprehensive intelligence support to US operating forces is essential to US combat capabilities and should not be degraded in any way through organizational or management changes.

b. The principal task ahead is to develop greater responsiveness from national collection assets for tactical needs.

c. Multiple, independent analytical centers with access to key policymakers must be retained to insure dissenting views are not suppressed.

d. Peacetime cost effectiveness must not jeopardize intelligence capabilities required for wartime operations.

e. While economy should be a constant goal, it should be recognized that some collection/production redundancy is essential to:

(1) Assure adequate and timely coverage in support of routine as well as crisis situations.

(2) Optimize the utilization of often fragmentary information.

(3) Permit necessary independent analysis and production entities.

6. (S) Within the above context, the Joint Chiefs of Staff believe the Intelligence Community reorganization should provide a role for the DCI as follows:

a. Senior Foreign Intelligence Officer

(1) Serve as principal intelligence adviser to the President and as such have tasking authority over all national intelligence organizations of the Government.

(2) Review and evaluate all national foreign intelligence activities, and recommend to the National Security Council the allocation of all national foreign intelligence functions and resources.

- (3) Produce national intelligence, as required.
- (4) Establish substantive and resource management objectives for the Intelligence Community, and review the performance of the Intelligence Community toward accomplishment of these objectives.
- (5) Promote the development and consolidation of intelligence services which apply to more than one agency but can be performed by a single entity.
- (6) Determine the chairing and staffing of all Intelligence Community advisory boards and committees.
- (7) Be responsible for the coordination of all liaison with foreign intelligence services.

b. Leader of the Intelligence Community

- (1) Chair the National Foreign Intelligence Board.
- (2) Have responsibility to provide guidance for and coordinate, review, and present the National Foreign Intelligence Program (NFIP) budget.
- (3) Chair the Policy Review Committee (Intelligence) (PRC(I)). PRC(I) to address:
  - (a) NFIP trade-offs.
  - (b) Determination of what programs belong in NFIP or intelligence-related activities.

(4) Be the executive head of Intelligence Community Staff.

c. Protector of the security of sources and methods

- (1) Provide policy in this area.
- (2) Provide an oversight and compliance mechanism.
- (3) Implement and supervise compartmentation and declassification program.

7. (S) The DCI should not:

- a. Have any authority, supervision, or control of Inspector General activities.
- b. Have any control over tactical (intelligence-related activities) programs.
- c. Have line authority over CIA if the DCI has resource authority over other intelligence elements.
- d. Have line authority over NSA [*less than 1 line not declassified*]
- e. Have any counterintelligence responsibility within the United States.
- f. Have sole authority to determine collection priorities.

8. (U) The above views on reorganization of the Intelligence Community are oriented primarily toward military aspects and are not meant to be all inclusive. Fundamental to these views is the belief that

intelligence is primarily a tool, albeit a critically important one, to successful planning and operation of US combat forces. The Joint Chiefs of Staff request that you forward these views to the President.

For the Joint Chiefs of Staff:

**George S. Brown**

*General, USAF*

*Chairman, Joint Chiefs of Staff*

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#### **54. Note From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>**

Washington, July 20, 1977

Mr. President:

At the Vice President's request, I have prepared a revised version of the options memo,<sup>2</sup> putting forth a compromise option which was developed in consultation with Secretary Brown and Admiral Turner. Secretary Brown could live with this arrangement, although it is at the edge of his position. Admiral Turner continues to insist that he must have line authority.

The Vice President has read the memo and the proposed Presidential Directive and concurs in them.

If you plan to sign the PD, I believe it would be helpful if you also touched base with Stan and Harold to let them know personally of your decision.<sup>3</sup>

**Zbigniew Brzezinski<sup>4</sup>**

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 95, Subject Chron: Intelligence, 8/77. Confidential.

<sup>2</sup> Attached but not printed. See Document 55.

<sup>3</sup> Brzezinski added an asterisk after this sentence and wrote at the bottom of the page, “\* I will show them the proposed PD.”

<sup>4</sup> Brzezinski signed “Zbig” above this typed signature. Carter wrote beneath Brzezinski's signature, “Zbig—Get memo comments from Stan—bring directly to me. J.C.”

# **55. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>**

Washington, July 22, 1977

## **SUBJECT**

Reorganization of the Intelligence Community

There are essentially two broad alternative approaches to organization of the Intelligence Community:

—Consolidation of all predominantly national intelligence activities into one bureaucratic structure under the full control of the DCI; or

—A “community” approach which differentiates to some degree responsibilities and authorities.

To evaluate these approaches, it is necessary to analyze their impact on the key operational functions of setting requirements, tasking authority, analytic production, resource management and line authority. On the basis of the PRM/NSC-11 studies and subsequent SCC discussions, it seems clear that any approach to organizing the Intelligence Community should:

—recognize that the major consumers of intelligence should play a dominant role in establishing requirements and prioritizing them through a high-level committee system;

—give greater power to the DCI during peacetime to translate consumer requirements into detailed intelligence collection objectives and task these to appropriate intelligence collection organizations;

—leave primary responsibility for national analytical intelligence production with the DCI, who would remain your principal substantive intelligence adviser, but provide for the continuation of departmental analytic centers;

—give the DCI a strong and leading role in the resource management of all predominantly national intelligence programs.

Both Stan Turner and Harold Brown are in general agreement with these principles, although they have some differences over the details of organizing to implement. However, as advocates of specific centralization and community options, their two approaches are most clearly distinguished on the issue of line authority, particularly over the military and technically-oriented major collection programs now within the Department of Defense.

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977-1981, Box 12, PD 17 [4]. Confidential. Sent for action.



—Any full centralization approach would involve the transfer of complete line authority over the major DOD collection programs to the DCI. The basic argument for doing so is the controversial assertion that this is necessary to assure proper performance of an intelligence system that is responsive to both national and unique DOD intelligence requirements. This point has not been supported with examples of failures or other case studies, and as such is subject to challenge.

—Any “community” approach by definition assumes a certain differentiation and dispersion of responsibilities and authorities. It is based on the premise that, while certain critical operational functions, like resource management and national tasking, can be performed effectively by a centralized authority, full line control over functions that have both national and departmental significance should be decentralized to assure responsiveness to both. While there has been a gradual trend toward greater centralization in recent years, this principle has in the eyes of many observers remained valid.

#### *Agency Options*

During the course of the SCC deliberations, Stan Turner, Harold Brown, and OMB each developed detailed options for your consideration. As you will recall, the major features of these options are as follows:

—Brown’s “community” option would modify the status quo by (a) strengthening the DCI’s and PRC(I) collegial role in managing national intelligence resources, (b) providing for a high-level consumers committee within the NSC system to establish intelligence requirements, and (c) explicitly delegating to the DCI all responsibility for tasking collection facilities during peacetime (subject to appeal to a consumers committee) and to the Secretary of Defense during crisis or war. No changes would be made in the basic organizational structure of the Intelligence Community or in its normal daily mode operation.

—Stan Turner’s “consolidation” option would involve full centralization of national intelligence activities. It would place the present CIA, NSA, NRO [*less than 1 line not declassified*] under the full line management control of the Director of Central Intelligence and functionally integrate some major collection systems. Departmental analysis units would remain basically independent of DCI control. A high-level interagency consumers committee would be established to identify priority national intelligence needs, subject to your approval, and a DCI controlled joint civilian-military center would actually task collection systems.

—OMB would diversify the line management authorities inherent in the secretaries of most governmental departments by centralizing the most critical national intelligence management functions (tasking, resources and analytical production) under the DCI while leaving other

operational and administrative functions normally associated with line authority decentralized. In addition, OMB would functionally integrate all technical and human source collection activities and national analytical production into new separate agency structures.

### *Compromise Option*

I believe that the Turner, Brown and OMB options each has some constructive new elements that together could provide the basis for a reorganization decision along the following lines:

—Requirements would be established and prioritized by the Policy Review Committee, chaired by the DCI. All agree that the major consumers should set requirements, and putting the official charged with implementation and who has the greatest vested interest in success in the chair should assure that it gets accomplished effectively.

—The DCI would be decision-maker on tasking the various elements of the Intelligence Community to fulfill requirements and priorities. The Secretary of Defense would have a right of reclama to you through the NSC system and could, at your discretion, be given full intelligence tasking power during times of extreme crisis or war. This should be acceptable to both Stan Turner and Harold Brown, especially if some civilian-military tasking mechanism is created, such as Turner's National Intelligence Tasking Center.

—The DCI would have full authority to provide guidance on the development of the national intelligence budget, approve its content prior to submission to the President, present it to Congress, reprogram funds as necessary (though it may be difficult to get the Congress to loosen their reins on reprogramming). The National Foreign Intelligence Board would replace the PRC(I) but in an advisory role to the DCI on his budget decisions (in the same manner as it now advises him on national estimates and other activities of common community concern). This goes beyond Harold Brown's proposal which retains a collegial system but department heads still would have the right to reclama DCI budget decisions to the President. The DCI would have adequate staff and access to information to ensure that he could carry out the program audit and evaluation necessary to his budget and tasking responsibilities.

—The DCI, as the President's principal substantive intelligence adviser, would continue to have full responsibility for the production of national intelligence in appropriate consultation with departmental analytical centers.

—The essentially implemental and administrative elements of line management authority such as personnel actions, support activities, operational control of systems and military entities and audit/inspector general functions would remain as presently assigned under departmental arrangements.

*The basic rationale for this approach is that it centralizes the most critical national intelligence management functions under the DCI—tasking, resources, and production—while leaving the administrative and support functions with the operational elements where they are performed adequately today. This is the same assumption on which the OMB option is based. It also builds on the concepts behind the Turner and Brown options as follows:*

—It recognizes that, while there are certain major intelligence programs and tasks which should be directed at the national level, the distinction between national and tactical intelligence is increasingly artificial, and in the future intelligence systems must be responsive to the concerns of *all* users. This is a fundamental point made by the military services and the basic reason they resisted centralization.

—The link between consumers requirements, tasking and resource allocation is centered for the first time in the office of the DCI and should in theory result in more productive and cost effective collection and production activities. This was the most critical deficiency identified in the PRM/NSC-11 study and the basic argument for consolidation of authority.

—Finally, while some reorganization within CIA and the Defense intelligence agencies may be necessary, any approach which divided them up and reallocated their activities into new units could completely break the already low morale of their professional cadre, and would minimize the element of constructive competition that has stimulated creativity in the past. This is a basic point of reality overlooked in the OMB option.

**RECOMMENDATION:**

That you sign the Presidential Directive at Tab A<sup>2</sup> based on the above indicated compromise principles for reorganization of the Intelligence Community. Based on this we will develop a public statement for release by Jody Powell that dampens speculation about who won or lost.<sup>3</sup>

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<sup>2</sup> Not found attached. The Presidential Directive is printed as Document 59.

<sup>3</sup> For the text of the August 4 public statement, see *Public Papers: Carter, 1977*, Book II, pp. 1421–1423.

**56. Letter From Secretary of Defense Brown to President Carter<sup>1</sup>**

Washington, July 22, 1977

Dear Mr. President,

As you know, I shall be in Korea and Japan for the next week. I have reviewed the draft Presidential Decision on intelligence organization. It represents a determined effort by the Vice President and by Zbig to take account of what the persons concerned require to carry out their responsibilities. Some parts of the draft decision will make my work more difficult. But I believe we in the Department of Defense can live with its provisions, subject to the exact language of the revision of Executive Order 11905, and also to Stan Turner's and my working out detailed procedures for implementation. I am prepared to work to that end.

If, however, you should be inclined toward considering other organizational arrangements, I would deem it essential to discuss the matter with you in person, as I mentioned in our telephone conversation of two weeks ago.<sup>2</sup>

Respectfully,

**Harold Brown**

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 95, Subject Chron, Intelligence, 8/77. No classification marking. This handwritten letter is dated "7/22" and marked "PERSONAL" at the top.

<sup>2</sup> Presumably a reference to Brown's July 12 telephone conversation with Carter from 9:49 to 9:53 a.m. (Carter Library, Presidential Materials, Carter Daily Diary) No record of this conversation was found.

**57. Memorandum From Director of Central Intelligence Turner to President Carter<sup>1</sup>**

Washington, July 23, 1977

SUBJECT

PRM-11

Zbig has shown me the draft decision memorandum on PRM-11. I appreciate the monumental effort which has gone into the search for a middle ground. I also fully understand and concur with Harold's concern for protecting DOD's equity in intelligence collection management. The proposed decision does strengthen the budgeting and tasking authority I need to achieve your goals, but it basically fails to make the people who must respond to tasking and budget control ultimately responsible to the person giving the orders. I must give my estimate that it does not add much to Executive Order 11905. The historic inefficiencies, indecisiveness, difficulties in adapting to changing times and lack of accountable oversight would continue. In addition, my instincts tell me that within a decade the President's requirement for military intelligence will have reduced in comparison with economic and political, and the DCI must have the authority to shape the system to meet that need.

Still, if a bold solution is not appropriate at this moment, the question is how to construct the most effective organization while providing for some degree of divided authority over our national collection assets. I see two possible approaches.

The approach taken by the compromise efforts to date, and the foundation of the draft decision memorandum, starts from the first principle that the basic organizational relationships which exist today should be preserved. This school of thought advocates only the minimum alterations necessary to visibly widen the DCI's channels of influence over the Intelligence Community.

I prefer what is, in my view, a sounder approach which comes closer to providing the DCI the necessary authority to function effectively. It would start from the assumption that the bold plan is the more desirable long-term model; then, in deference to the concerns of Defense, it would circumscribe the amount of authority given to the DCI. There are reasonable ways to compromise from the bold plan in behalf of Defense, such as guaranteeing continuation of strong military

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Subject File, Box 30, Intelligence Reorganization, 1-7/77. Secret; *[handling restrictions not declassified]*.

representation in all collection agencies and structural recognition of the Secretary of Defense's legitimate requirement to participate in tasking and budget formulation. Specific steps are detailed at Tab A.

Which of these two approaches you elect is a matter, it seems to me, of what kind of intelligence support you believe the country will need for the immediate future as well as for decades to come.

Stansfield Turner<sup>2</sup>

## Tab A

### Paper Prepared in the Central Intelligence Agency<sup>3</sup>

Washington, undated

#### Possible Compromises in Favor of Defense from the DCI's Proposed Solution

A. Give SECDEF joint appointment authority over Heads and Deputy Heads of NRO, NSA [*less than 1 line not declassified*] and include in the statute that the Directors of these organizations will be military officers.

B. Include provision in Executive Order that the present percentages of manning of NSA, NRO [*less than 1 line not declassified*] by military personnel will not be reduced other than by agreement of the Secretary of Defense and the DCI, and increase number of military assigned to military and non-military areas of CIA, NIO and IC Staff.

C. Ensure that SECDEF has access to all information on any aspect of all intelligence programs.

D. Require by Executive Order that some percentage of the tasking of NSA and NRO be allocated directly to the SECDEF.

E. Provide SECDEF the right of appeal to OMB of any budget decisions of DCI with the added requirement that OMB must forward to the President any such appeal that it denies.

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<sup>2</sup> Turner signed "Stan" above this typed signature.

<sup>3</sup> Secret; [*handling restrictions not declassified*].

**58. Letter From President Carter to the Chairman of the Senate Select Committee on Intelligence (Inouye)<sup>1</sup>**

Washington, July 27, 1977

To Chairman Inouye

The Chairman of the Intelligence Oversight Board has reported to me on the very useful meetings which the Board had with you, Senator Goldwater, and the members of your staff following my meeting with the Board on June 8.<sup>2</sup>

I want you to know that I consider abuses in the activities of any of our intelligence agencies to be of such import that I intend to deal with such matters personally. To assist me, I will rely on the Board, which as you know reports directly to me any matter which it believes raises a serious question of legality or propriety. When reports of abuses are made to me, I will have them investigated, and when corrective action is warranted, will report to your Committee the nature of the abuse and corrective action taken.

This decision was made after careful consideration of the dialogue between Admiral Turner, Mr. Knoche, and the Senate Select Committee concerning the same subject. I share with you a deep commitment toward institutionalizing effective oversight of foreign intelligence activities. I also recognize the need to keep the Committee as informed as possible. However, for the Executive branch mechanism to operate effectively, the information it receives must obviously be treated on a privileged basis.

I believe that the steps I have outlined will serve to eliminate most quickly and effectively any abuses which may in the future occur in any of our intelligence agencies and simultaneously serve to give the Senate in a timely fashion full and accurate information on what has occurred.

Sincerely,

**Jimmy Carter**

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 11, PD 17 [2]. Unclassified.

<sup>2</sup> No minutes of these meetings were found. Carter met with the members of the Intelligence Oversight Board, Lipshutz, and Brzezinski on June 8 from 1:30 to 2 p.m. (Carter Library, Presidential Materials, President's Daily Diary)

**59. Presidential Directive/NSC-17<sup>1</sup>**

Washington, August 4, 1977

TO

The Secretary of State  
The Secretary of Defense  
The Attorney General  
The Director of Central Intelligence

SUBJECT

Reorganization of the Intelligence Community (U)

I have reviewed the results of the PRM/NSC-11 studies relating to organization of the Intelligence Community and subsequent SCC deliberations and have reached the following conclusions:

1. The National Security Council will continue to act as the highest organizational entity that provides guidance and direction to the development and formulation of national intelligence activities. To this end, the Policy Review Committee, chaired by the DCI and to include the Secretary of State, Secretary of Defense, Secretary of the Treasury, the Assistant to the President for National Security Affairs and other attendees as deemed appropriate by the chairman, will meet as an intelligence requirements committee. The primary function of the PRC intelligence requirement meetings will be to define and prioritize substantive intelligence requirements and evaluate analytical product performance. The PRC will submit semiannual reports to the NSC on its activities.

2. The Director of Central Intelligence will have during peacetime full tasking responsibility and authority for translating PRC-validated national intelligence requirements into specific intelligence collection objectives and targets and assigning these to intelligence collection organizations. For these purposes a National Intelligence Tasking Center jointly manned by civilian and military personnel will be established under the direction of the DCI to task all national intelligence collection systems. The Tasking Center will also be responsible for ensuring that the resulting intelligence flow is routed immediately to relevant components and commands. In periods of crisis or during war the power to task collection facilities may be delegated to the Secretary of Defense upon the express direction of the President.

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977-1981, Box 1, PD/NSC 1-32 [1]. Official Use Only. Carter initialed the upper right-hand corner of the page.



3. The Director of Central Intelligence will have full and exclusive authority for approval of the National Foreign Intelligence Program (NFIP) budget prior to its presentation (through usual procedures) to the President, for its presentation to Congress, reprogramming of NFIP funds and monitoring program implementation. In response to DCI guidance, the departments and agencies of the NFIP will submit their proposed national program budgets to the DCI and assure that the DCI has all information necessary to perform his budgetary responsibilities. The National Foreign Intelligence Board will advise the DCI on all of his budgetary responsibilities in the same manner as it does on national intelligence production and other activities of common concern.

Department heads will retain the right to reclama DCI budget decisions to the President.

4. The DCI will be provided with adequate staff support to ensure his full access to relevant information and the capability to carry out program audits and evaluation.

5. The Director of Central Intelligence will continue to act as the primary adviser to the National Security Council and the President on substantive foreign intelligence and to have full responsibility for production of national intelligence in appropriate consultation with departmental analytical centers. He will retain all other powers provided to him under relevant statutes and executive orders.

6. Apart from the foregoing, authority to hire and fire personnel and to give day-to-day direction to implement assigned tasks will remain with the heads of the relevant Departments and Agencies. All other organizational and operational arrangements and responsibilities assigned under existing statutes and executive orders shall remain in full effect. Personnel administration, management and support activities, operational implementation of DCI tasking, and audit/inspector general functions will remain as presently assigned under departmental arrangements.

The Director of Central Intelligence and the Secretary of Defense shall draft an Executive Order to implement the above decisions for review by the NSC Special Coordination Committee and my approval.<sup>2</sup> This will provide the basis for consultation with Congress on the development of appropriate charter legislation.

**Jimmy Carter**

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<sup>2</sup> See Document 76.

**60. Presidential Directive/NSC-19<sup>1</sup>**

Washington, August 25, 1977

TO

The Vice President  
The Secretary of State  
The Secretary of Defense

ALSO

The Attorney General  
The Director of Central Intelligence  
The Chairman, Joint Chiefs of Staff

SUBJECT

Electronic Surveillance Abroad and Physical Searches for Foreign Intelligence Purposes (C)

I have reviewed the issues raised in the report of the Attorney General's PRM/NSC-11 Subcommittee to the SCC with respect to warrantless electronic surveillance directed against United States persons abroad, and warrantless physical searches (a) of certain premises or property within the United States and (b) of the premises or property of United States persons abroad.<sup>2</sup> It is my understanding that:

—These searches and surveillances would be conducted solely for foreign intelligence and counterintelligence purposes, including intelligence on international terrorism.

—It is the Attorney General's view that the President has the constitutional authority to (a) approve warrantless electronic surveillance directed against Americans abroad who are agents of foreign powers and (b) approve reasonable warrantless physical searches directed against foreign powers or their agents in the United States and against Americans abroad who are agents of a foreign power. Since, however, no court has ever recognized this authority, the Attorney General's opinion is subject to judicial challenge.

It is clear to me that reasonable physical searches and electronic surveillances for intelligence purposes necessary to the security and well-being of our nation should be authorized. The invocation of inherent Presidential powers to authorize such searches and surveillances, however, would subject such searches and surveillances to doubt and

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977-1981, Box 1, PD/NSC 1-32 [1]. Secret.

<sup>2</sup> See footnote 3, Document 41.

question not only by those who are concerned about the proper role of our intelligence agencies but also by those who must carry out the searches often at grave risk to themselves. Therefore, it is my firm belief that this Government's clandestine intelligence activities—and especially those which impact on the rights of Americans—should to the maximum extent possible be legitimized and affirmed by the Congress. Such affirmation is essential not only to reassure the public that our intelligence activities are conducted in a legal and proper manner but also as a policy statement that these activities are necessary and desirable for the security and well-being of the American people. Therefore, I direct that the Department of Justice, in coordination with the Departments of Defense and State, and the Central Intelligence Agency, draft for SCC review and my approval proposed legislation with respect to electronic surveillance abroad and physical searches both in the United States and abroad.

I remain concerned, however, that if compelling situations arise prior to such time as this legislation might be enacted, it may be necessary to the security and well-being of this nation to engage in physical searches in the United States and physical searches and electronic surveillance abroad directed against United States persons. Therefore, pending the enactment of legislation in this area, I delegate the power to the Attorney General and his successors in office, to approve, without prior judicial warrant, electronic surveillance directed against United States persons abroad.

This power and authority shall be exercised pursuant to the following standards and procedures:

(1) A warrantless, non-consensual electronic surveillance directed against a United States person abroad will, except in emergency situations, only be authorized upon the personal approval of the Attorney General (or Acting Attorney General), upon the request of the head of the Department or Agency desiring the electronic surveillance.

(2) Approval will not be granted unless the Attorney General (or Acting Attorney General) has satisfied himself that:

(a) the requested electronic surveillance is necessary to obtain significant foreign intelligence or counterintelligence information;

(b) the United States person who is the target of the electronic surveillance is an agent of a foreign power; and

(c) the minimum physical intrusion necessary to obtain the information sought will be used.

(3) Where necessary, the request and authorization may be oral, but shall be followed by written confirmation as soon as possible.

(4) No electronic surveillance directed against a United States person shall continue for over 90 days without the written authorization of the Attorney General (or Acting Attorney General).

(5) In addition, I authorize the Attorney General to adopt procedures governing the conduct of electronic surveillance abroad, whether or not directed against a United States person, to ensure its legality and propriety, which procedures shall provide for authorization in emergency situations and for the minimization of the acquisition, retention, and dissemination of information concerning United States persons which is not necessary for legitimate Government purposes.

I have already in my February 3, 1977 memorandum authorized and delegated the power to the Attorney General to approve the minimum necessary trespass or intrusion to implant an electronic surveillance device in the United States.<sup>3</sup> I hereby delegate the power to the Attorney General to adopt procedures concerning, and to approve, certain warrantless physical searches of (a) the real or personal property of foreign powers in the United States, and (b) the personal property of persons in the United States or United States persons abroad who are agents of foreign powers. These physical searches shall be limited to (a) a search of personal property which is in the custody of the United States or its agents, or (b) a search of the premises of a foreign power by an agent of the United States who is lawfully on the premises, which extends beyond those specific areas to which the agent is entitled to have access.

This power and authority shall be exercised pursuant to the following standards or procedures:

(1) A physical search of the property or premises of a foreign power in the United States will only be authorized pursuant to procedures adopted by the Attorney General to insure its reasonableness, which procedures shall not authorize any breaking or nonconsensual entering of any real property.

(2)(a) A physical search of the personal property of persons in the United States or a United States person abroad will, except in emergency situations, only be authorized upon the personal approval of the Attorney General (or Acting Attorney General), upon the request of the head of the Bureau or Agency desiring the search.

(b) Approval to conduct such a search will not be granted unless the Attorney General (or Acting Attorney General) has determined that:

(i) the requested search is necessary to obtain significant foreign intelligence or counterintelligence information;

(ii) the person whose property is to be searched is an agent of a foreign power;

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<sup>3</sup> Carter's February 3 memorandum to the Attorney General is in the Carter Library, National Security Council, Institutional Files, 1977-1981, Box 15, PD-19.

(iii) the minimum physical intrusion necessary to obtain the information will be used; and

(iv) the search does not involve the breaking or non-consensual entering of any real property and any container to be searched is, at the time of the search, in the lawful custody of the United States or its agents.

(c) Where necessary, the request and authorization may be oral, but shall be followed by written confirmation as soon as possible.

(3) I am not delegating the authority to make any physical search within the United States or of the property of United States persons abroad for foreign intelligence or counterintelligence purposes that involves the breaking or non-consensual entering of any real property or the search of any personal property which is not in the custody of the United States or its agents, except in emergency situations where a person's life is reasonably believed to be in imminent danger.

(4) In addition, I authorize the Attorney General to adopt procedures governing the conduct of physical searches authorized herein to ensure their legality and propriety, which procedures shall provide for authorization in emergency situations and for the minimization of the acquisition, retention, and dissemination of information concerning United States persons which is not necessary for legitimate Government purposes.

Nothing in this directive shall be deemed to authorize the warrantless opening of mail in United States postal channels, nor shall anything in this directive be deemed to affect PD/NSC-9.<sup>4</sup>

**Jimmy Carter**

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<sup>4</sup> PD/NSC-9, "Army Special Operations Field Office in Berlin," was issued on March 30. It is scheduled for publication in *Foreign Relations, 1977–1980*, vol. XXVII, Western Europe.

**61. Memorandum From the Deputy to the Director of Central Intelligence for National Intelligence (Bowie)<sup>1</sup>**

Washington, September 29, 1977

## MEMORANDUM FOR

Deputy Assistant to the President for National Security Affairs  
Director, Intelligence & Research, Department of State  
Assistant Secretary of Defense, International Security Affairs  
Assistant to the Chairman, Joint Chiefs of Staff

## SUBJECT

Presidential Intelligence Priorities

1. Under the Presidential decision and Executive Order,<sup>2</sup> the main formal mechanism for the policy-makers to define their needs for intelligence will be the Policy Review Committee. Hence, in developing priorities, it is useful to ask how the PRC can best express its interests to the Intelligence Community. It will wish to make sure that the Intelligence Community devotes itself not only to furnishing information of immediate policy concern, but also to providing the basic research on issues that will be of continuing policy concern over extended periods of time. Consequently, I have concluded that the Policy Review Committee might well adopt a two-tiered approach to developing intelligence priorities.

2. The sample list of broad topics of basic long-term interest (Tab A) is intended to guide our long-range efforts in analysis and collection, and point the way to more specific topics for basic National Intelligence Estimates. This list would probably change only gradually over time, but it should receive regular review to ensure that it always accurately reflected major concerns.

3. Tab B is a sample list of issues of immediate interest. Many of these issues are, in fact, subsets of the more basic topics in Tab A. I would expect that the Policy Review Committee would review this listing at regular intervals—perhaps every other month—with a view to ensuring that it is up to date and, further, that it take into account planned policy initiatives and expected developments that might generate needs for intelligence.

4. I am submitting these lists as the basis for discussion at our next meeting. We can then discuss the usefulness of the proposed approach

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 89, SCC035 Intelligence Covert Activities, 10/6/77. Secret.

<sup>2</sup> Reference to PD/NSC–17 (see Document 59) and the executive order called for in its final paragraph.

as well as the substance of the lists themselves, which, if approved by the PRC, would be sent to the agencies of the Intelligence Community for translating into specific intelligence requirements.

Robert R. Bowie<sup>3</sup>

**Tab A**

**List Prepared in the Central Intelligence Agency<sup>4</sup>**

Washington, undated

National Intelligence Topics of Basic Long-Term Interest

I. Advanced Countries [*less than 1 line not declassified*]

- economic conditions and prospects
- trade
- political and social trends
- cohesion of NATO
- foreign policy issues

II. The USSR and Eastern Europe

- Soviet foreign policy
- Soviet military capabilities and intentions
- strategic arms reduction
- advanced technology
- Soviet economic prospects
- trends and stability in Eastern Europe
- Communist activities in the Third World

III. China

- Sino-Soviet relations
- economic and political prospects
- prospects for U.S./PRC normalization of relations
- military capabilities and intentions
- foreign policy

IV. Key Developing Countries [*1 line not declassified*]

- industrial and resource development

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<sup>3</sup> Bowie initialed “RRB” above this typed signature.

<sup>4</sup> Secret.

- economic policy
- foreign policy objectives
- domestic instability
- indigenous military capabilities

#### V. Less Developed Countries

- economic progress and prospects
- agricultural and infrastructure development
- domestic political stability
- foreign policy interests and priorities
- role in North-South debate

#### VI. Global Issues

- human rights
- nuclear proliferation
- energy
- arms transfers
- technology transfer
- transnational terrorism
- food and population prospects
- resources
- environment

#### VII. Strategic Areas of Continuing Concern

- Middle East
- Korea
- Greece/Turkey
- Southern Africa

### **Tab B**

### **List Prepared in the Central Intelligence Agency<sup>5</sup>**

Washington, undated

#### **Critical Issues of Immediate Interest**

##### **I. USSR**

A. Soviet assessments of the U.S. (including assessments such as SALT proposals).

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<sup>5</sup> Secret.



- B. Soviet economic prospects.
- C. Leadership after Brezhnev.
- D. Critical issues affecting future strategic balance.
  - (1) Soviet ASW capability.
  - (2) Soviet ASAT capabilities, and significance as warning.
  - (3) Soviet defense capability against bombers, SRAMs and cruise missiles.
  - (4) Soviet progress in advanced technologies crucial to developing weapon systems.
- E. Soviet capability for *sustained* combat operations in a *prolonged* NATO-Pact conflict.
- F. Soviet and Pact chemical warfare capabilities.
- G. Warning times associated with Soviet options for initiating war in Europe.
- H. Soviet capabilities against SLOCs.
- II. PRC
  - A. Chinese policies to U.S.
  - B. Trends in Sino-Soviet state relations.
  - C. Chinese military capabilities and intentions against Taiwan.
- III. Western Europe
  - A. Prospects for the 1978 elections in France and implications.
  - B. Evolving PCI role in Italian politics.
  - C. Turkish policy toward Cyprus.
- IV. Middle East and South Asia
  - A. Prospects for restoration of political stability in Pakistan.
  - B. Probable Arab and Israeli strategies toward settlement and if current peace efforts collapse.
  - C. The viability of the Sadat government.
  - D. [1 line not declassified]
- V. Africa
  - A. Evolution of the Rhodesian problem.
  - B. Prospects in South Africa.
  - C. Ethiopia-Somalia hostilities.
  - D. Conflict in Angola and Zaire.
- VI. East Asia-Pacific
  - A. Indications of North Korea's priorities, internal and external.
  - B. Instability in South Korea.
  - C. The Philippines' view of its relationship with the U.S.
  - D. Prospects in Taiwan.

E. Japan's evolving view of its international role.

VIII. Latin America

A. Cuban objectives vis-a-vis the U.S.

B. Panamanian developments affecting the Canal treaty.

IX. Economics

A. Potential threats to oil sufficiency: *[less than 1 line not declassified]*  
production shortfalls.

B. Trade imbalances and trends toward protectionism.

X. Nuclear Proliferation

A. South Africa's nuclear strategy.

B. Nuclear policy and plans *[less than 1 line not declassified]*.

C. *[less than 1 line not declassified]* uranium export policy.

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**62. Message From Director of Central Intelligence Turner to  
Chiefs of Station<sup>1</sup>**

Washington, October 4, 1977

To: *[1½ lines not declassified]*. Ref: Director *[message indicator not declassified]*.

1. Ref transmits the text of new agreement between myself and Secretary of State on relationships between Chiefs of Station and Ambassadors. I want in this supplementary message to share with you both the reasoning behind my role in negotiating this arrangement and the spirit in which I hope it will be executed.

2. The basic thought which motivated me toward this agreement was the essentiality of as complete cooperation and teamwork between ourselves and the State Department as possible, both in the field and in Washington. I have received a sufficient number of reports from Ambassadors during my six months as Director to recognize the value of the close relationships most of you have established with your Ambassadors. I know that most Ambassadors value the contributions you make to their efforts to implement our foreign policy. While you may not have experienced it personally, however, there are some cases

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<sup>1</sup> Source: Department of State, INR/IL Historical Files, TIN: 980643000017, State-CIA Relations, January–May 1978. Secret; Priority; Unintel Rybat; *[handling restriction not declassified]*.

where relationships between an Ambassador and a Chief of Station have been strained. We all recognize that to some extent this is because our requirements—as specified in the agreement—for holding private some of the details of our activities from even the Chief of a United States Mission can engender suspicion. The last few years of publicity which often exaggerated the nature and independence of our operations have perhaps placed an added strain on this relationship. By making our agreement with State more explicit, I hope to reduce, if not eliminate, some of the causes for friction.

3. Accordingly, I approached this new agreement from the point of view of how much more could we share with our Ambassadors while still preserving our essential elements of secrecy. I sincerely believe that we can go further than in the past. Essentially what I believe we can do is to inform our Ambassadors to a degree of detail such that they will never be surprised to learn that one of our operations is taking place. This does not mean that every detail must be disclosed. It does mean that you must continue to improve your partnership with your Ambassador. There is no way that such a partnership's terms can be spelled out in precise detail in a written agreement. I anticipate, though, that at one extreme you could be willing to discuss any cable or communication with the Ambassador. At the other extreme you will have to make extensive deletions before sharing. In between there will be a ground on which you feel comfortable. Detailed specifics of our more sensitive operations, however, are not needed by Ambassadors and most would shun exposure to them. Ambassadors, like myself, are in contact with the public and neither of us want to be placed in the danger of inadvertent exposure that could cost an agent of ours his life or risk the loss of a valuable source. Occasionally, a Chief of Station and Chief of Mission will not see eye to eye on the appropriate level of disclosure. In such instances I expect you to hold your ground politely but firmly. Secretary Vance and I are fully prepared to arbitrate any differences which may arise. You must never neglect the obligation you have to my statutory responsibility for protecting our sources and methods of collecting intelligence. I can only fulfill this responsibility by dependence on you. At the same time we have to recognize the Ambassadors' statutory responsibility for the activities of all elements of his Mission. I am confident that these two obligations can be discharged in cooperation and harmony.

4. Let me also say that I view this new arrangement as an integral part of the new oversight procedures which have been evolving over the past two-three years. The Intelligence Oversight Board, the congressional oversight committees and the greater involvement of the National Security Council in intelligence matters are all part of this process. Oversight can be a bureaucratic impediment and a risk to

security. It also can be a tremendous strength and benefit to us. It shares our responsibilities. It ensures against our becoming separated from the legal and ethical standards of our society. It prevents disharmony between our foreign policy and intelligence efforts. It helps us build a solid foundation for the future of our intelligence operations. Bringing the Ambassadors more into our confidence will provide us the benefit of a critical perspective on our intelligence production and its contribution to foreign policy. I think you would be interested to know that when I was in London recently, I discussed this question with MI-6. What came through clearly was that even in the very secretive British model of intelligence, Ambassadors are integral to the process of approving sensitive clandestine operations.

5. Additionally, I see several other advantages to us of increased cooperation with Chiefs of Mission. In my view we will need more than ever in the years ahead to dovetail the reporting from Foreign Service channels with that from ours. There are gaps in the State Department's ability to provide information which we can neatly fill. There are areas of traditional intelligence reporting which can be better achieved at less risk by Foreign Service channels. Beyond this, there are a number of areas today where we need support from the State Department. Our cover problem is an issue of great concern to me. If we do not solve it, our capability to fulfill our mission will evaporate in the long term. We also need to increase our representation in areas that have been neglected in the past. We will do better in these and other areas the more we are truly a part of the Mission's team. The reorganization recently directed by the President has established a new foundation for better cooperation here in Washington. Under my direction, the new National Tasking Center will be fixing requirements for intelligence collection which will apply to the Agency as well as to other intelligence collectors. Although the Foreign Service is not an intelligence collector as such, the Department and the Ambassador will be advised of these requirements to help the Foreign Service in planning its own reporting. I expect that the needs of our policy-makers will be more sharply defined, that our resources will be more efficiently utilized, and that we will establish more cooperative efforts here and in the field to meet those needs. As this new concept evolves, we will all feel its impact. I fully expect that it will increase the benefits of teamwork which you have already established with your Ambassador and which the President expects the Ambassador to establish with all elements of our government in the country to which he is the President's representative.

6. I do want to make several points clear on dimensions to which these new relationships do not take us.

A. To begin with, you must always remember you work for me and between us we have a responsibility for producing intelligence

that is entirely divorced from considerations of policy. You must be most conscientious in reporting to me on the political, economic and military situations in your area entirely independently of your Ambassador for that is part of providing intelligence separate from considerations of policy. If your reports in these areas are ever at marked variance with your Ambassador, I would want to know that so as to make my independent judgment. I would also expect that you would let the Ambassador know of your honest differences of opinion.

B. These new arrangements must not be allowed to stifle the innovations and imagination which have made this agency great over the past 30 years. I fully recognize the risks that this policy entails. There may be some Chiefs of Mission who will never want to accept a risk. There may be others who will not accept a risk today for a potential benefit some years away. In such instances you will be placed on your mettle first to make our case lucidly on the local scene, and next to hold your ground and pass the baton to me. Yet I doubt that these risks need be serious. Moreover, I hope that as we work closer with State, the value and quality of our product will come into greater recognition. The more we are able to bring our State Department partners into an understanding of and appreciation of our role, the stronger our agency will be, not only in the near term but in the years after you and I have long left the scene. Because we must build toward that objective, I believe this new relationship is going to be much to our benefit.

7. I would appreciate your making this message a permanent part of the file with reference, and your showing it to your Ambassador if he wishes to read it.

8. Finally, I could not have negotiated this new arrangement were it not for my confidence in each of you and the spirit and manner in which you will carry it out. You can count on me and your colleagues here to support you in every way possible to make your efforts more productive, meaningful and significant. I continue to meet with visiting Chiefs whenever possible. I am taking every opportunity to meet with Ambassadors to make them aware of our role in each overseas mission, what he and I expect from you, and how we can be effective members of his team. I meet about once a week with Secretary Vance to exchange candid views on matters of importance to our nation and our organizations. My participation in inter-agency forums, my weekly sessions with the President, Vice President and the President's Assistant for National Security Affairs, my increased community responsibilities as recently directed by the President—all of these are signs of the growing teamwork developing in the intelligence community here. That same spirit must be cultivated in the field. I expect you to be out in front to do this.

63. **Memorandum From Paul Henze of the National Security Council Staff to the President's Assistant for National Security Affairs (Brzezinski)**<sup>1</sup>

Washington, October 15, 1977

SUBJECT

Significant Political Intelligence—Why Isn't There More?

Your observation<sup>2</sup> that the U.S. Government benefits from an extraordinary quantity of high-quality technical intelligence but is *under-supplied with political intelligence* is valid. This has been true for a long time. Recently the imbalance has been *worsening*, not improving. Achieving a fundamental improvement entails much more than asking for it. Your recent calls for better political intelligence have fallen on sympathetic ears among CIA officers specializing in human source collection overseas, but they are also a bit vexed because they feel that only a few of the shortcomings in this field are in their power to correct. Wider action based on better understanding of the problem is needed.

The acute imbalance between intelligence community performance in the political and technical fields is the outgrowth of a number of factors which have become accentuated during the past 25 years. Americans naturally find it easier to think technically than to think politically. It has always been easy to gather large quantities of technical data; less easy to devise quick means of processing and analyzing it but, with the enormous surge in developments in electronics in recent years, processing and analysis have become remarkably sophisticated and rapid. Given the strong military orientation of our national security effort plus the fact that most technical intelligence has ended up being collected and processed by elements of the Department of Defense, money has not been a serious obstacle. Our military establishment is an insatiable consumer of technical data. The system feeds upon itself. Thus, though *technical intelligence collecting and processing are far more expensive* than human intelligence collection, we have continued to allocate more and more money to technical intelligence while funds spent on *human collection* have stayed steady or, in many areas of the world, *declined*.

The result is that while we now enjoy nearly real-time photography from satellites [*less than 1 line not declassified*] we are not much closer

<sup>1</sup> Source: National Security Council, Carter Intelligence Files, Political Intelligence, Miscellaneous 1977-79. Secret. Sent for information. Printed from an unsigned copy.

<sup>2</sup> Not further identified.

than we were thirty years ago to knowing what goes on in the minds of the top men in Moscow or Madrid, Peking, Algeria or Brasilia, what Arab leaders say to each other when they get together or how French elections are going to come out.

*Would more money for political intelligence collection help?* Undoubtedly, but other aspects of the problem need to be addressed first. Our governmental system does not value or use political intelligence as readily as it utilizes technical intelligence. The bureaucracies which process what is collected operate in rather old-fashioned, traditional ways. Political intelligence is not massaged, dissected, stored and accumulated the way technical intelligence is. Much of our bureaucracy routinely feels little day-to-day need for incisive political intelligence and therefore rates it as relatively unimportant. While the accumulation of a large data base from which deviations can be gauged is taken for granted among technical analysts, those who analyze and interpret political data normally work much more impressionistically. This is particularly true of the central consumer of political intelligence, the State Department and related elements of the overt foreign affairs establishment, both at home and abroad.

*Embassies abroad should be major information reporting instruments, just as CIA stations.* Occasionally they are, but embassy political reporting performance is notoriously spotty and frequently inadequate. The State Department *has never evolved a structured system of reporting*, a disciplined standard reporting format or a system of relating an officer's reporting performance to his efficiency ratings. Embassies are chronically hampered by tight budgets that prevent officers from being reimbursed for luncheons and dinners where knowledgeable foreign contacts can be cultivated and induced to share confidences. I have yet to hear of an embassy that had enough travel money to permit its officers to move around the country, get to know it and develop the kinds of regional contacts that are essential to understanding any complex country in depth. To make these criticisms is not to say that embassies do nothing well—some officers do develop contacts, some do travel and some spend their own money to do their jobs better. But the system is weak and it is not all the fault of the State Department except that it has for much too long acquiesced in too tight budgets and the notion of can't-do has become rather deeply ingrained.

The result is that many State Department officers do not aspire to perform to a very high level of proficiency as political reporters or analysts of their country. They keep themselves busy with courtesy calls, diplomatic cocktail parties and routine paper-shuffling. In fairness to some, it must be admitted that not all diplomatic posts justify a high output of political reporting; some are primarily representational or entail service functions, such as catering to the needs of American



businessmen and tourists. The State Department must take responsibility for a bewildering array of service functions that other agencies in the foreign affairs establishment are largely spared—CIA, for example.

The CIA station system abroad has evolved to *compensate for most of the shortcomings of the State system*. CIA stations work within a flexible system of operational directives which set productivity goals and requirements for reporting. Officer performance ratings and promotions reflect agent recruitment and field reporting performance. CIA does not spend large amounts of money in the field but funds for operational entertainment and travel have always been available. In addition, CIA officers are able to pay foreigners who collaborate with them for the information they provide. Recruited CIA agents are passed from officer to officer, as rotations occur, according to established procedures that emphasize mutual responsibility and the special nature of the relationship. CIA officers usually function with less status than their State colleagues, but they are generally less burdened by extraneous and lower-priority demands on their time. During the last few years, however, *the CIA system*, in spite of the features which make it easier for CIA to handle human sources and produce more incisive political intelligence than State Department officers do, *has suffered increasing degradation*.

*CIA is responsible for some of the degradation itself*. Financially, it has short-changed its human source operations at the expense of more glamorous technical operations. The Operations Directorate has *stressed "hard targets,"* i.e. cultivation of Soviets and East Europeans, Chinese and officials of other Communist-controlled countries, to the point where many field stations have almost ceased to work on other objectives and gathering of political intelligence about local situations and developments in important countries has declined. (The CIA Station [less than 1 line not declassified] was scheduled to be closed in 1973 and during the same period the CIA Station [less than 1 line not declassified] practically abandoned internal reporting to concentrate on cultivating Soviets, though no recruitments ever took place.) Considering the enormous amount of effort devoted to "hard-target" human source development for many years now, CIA has had very few real recruitments and even fewer agents in place [less than 1 line not declassified]. Furthermore, concentration on hard-targets has been interpreted only as developing relationships with people who can eventually serve as agents [less than 1 line not declassified] and elsewhere in the Communist world. It has not included learning about the activities and impact of Communist representatives in countries where they are assigned. The Intelligence Community's data base on this subject is *seriously deficient*.

During the past few years, almost all CIA field stations have suffered *personnel cuts*. Recently, Admiral Turner has announced an 800-



man reduction in CIA's Directorate of Operations over the next two years.<sup>3</sup> He has said that the reduction will not affect personnel abroad, but such a large reduction is bound to have (and is already having) traumatic effect on the DDO as a whole. Cover and administration problems are increasingly limiting efficiency of DDO personnel abroad. Nevertheless, man for man, the quality of CIA personnel in field stations is still superior to those the State Department assigns abroad.

There are *other problems* over which CIA has little or no direct or immediate control. The *terrorist threat*, the *Agee problem*,<sup>4</sup> *KGB exposures* and the *criticism and adverse publicity* to which CIA has been subjected in the Western press for several years have taken a toll on morale and drive. New regulations and restrictions, more elaborate operational and administrative reporting procedures, concern in Langley about having everything documented, cross-checked, approved in advance to meet legal requirements, along with a tendency to play safe in the field, have not only discouraged initiative but have resulted in a situation where even the most motivated field personnel put a great deal of time into unproductive tasks. Chiefs of Station have to exert themselves [*less than 1 line not declassified*] to ensure that their officers give real priority to getting out intelligence reporting rather than getting bogged down in the endless stream of administrative and procedural correspondence that keeps coming out from Washington.

More relevant to the immediate problem of increased intelligence reporting is the fact that CIA field operations over the past several years have been subjected to many specific restrictions. Justified as many of these may be, they have reduced productivity and operational momentum. Several categories of agent sources can no longer be used or used only with special dispensations and limitations. Many kinds of organizational contacts are prohibited. Our ambassadors have been increasingly sensitive about CIA field operations and have been encouraged—both by specific directives and general advice from Washington—to limit CIA contacts in host country governments. One can debate the pros and cons of each individual case and relationship, of each set of restrictions, and there are arguments on all sides. *The net result is much less dynamic field operations.*

Another problem is harder to measure but it can be documented in many individual cases. As more and more revelations have occurred,

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<sup>3</sup> A September 22 memorandum from Aaron to Mondale provides an overview of the CIA internal reorganization, including a plan for six Presidentially-appointed deputies to work in the Office of the DCI. (Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 95, Subject Chron, Intelligence 9/77)

<sup>4</sup> A reference to Philip Agee, a former CIA officer who in 1975 exposed CIA operatives overseas.

*long-standing collaborators abroad have become increasingly uneasy about their relationships with CIA.* In (fortunately) most cases, this unease has merely taken the form of expression of worry and increased attention to security of contacts. In some cases we know that sources have been reporting less fully than they formerly did; they withhold information they fear the U.S. Government may not be able to protect. In a few cases, long-standing agents have dropped CIA contact. Finally, and perhaps most seriously, there are the potential new contacts who might have been developed and recruited if they had not decided in advance to avoid an American intelligence relationship out of fear of exposure. We never know how many of these there have been, though some cases can be documented.

*Liaison with foreign intelligence services* is one of CIA's basic responsibilities abroad. Liaison relationships have sometimes been significant channels for acquiring important information, especially in countries where the relationship includes contact with [1 line not declassified] intelligence chiefs who are important figures in their own government. Liaison relationships have been adversely affected, as a CIA survey done last February demonstrated,<sup>5</sup> by continuing leaks and publicity about CIA operations and there has been a reduction in the frankness with which such people discuss sensitive and important matters with Chiefs of Station.

If Dick Helms is indicted and prosecuted,<sup>6</sup> the publicity such a celebrated trial is bound to receive, as well as the spirited defense Helms must be expected to put up, will severely compound the problems the Agency already has in maintaining agent and liaison relationships abroad.

All these factors, sometimes interacting and having a cumulative effect, have reduced CIA's capability to collect high-quality intelligence from agent sources abroad. Both time and effort are needed to overcome these difficulties. *Intelligence comes not only from agents, however, but from the perceptions of experienced, senior CIA officers abroad* reported from time to time as the sum total of their knowledge and judgment about the local situation. This kind of reporting is an established tradition in CIA and has often provided the U.S. Government an unusual dimension of insight into complex foreign situations less colored by "localitis" than embassy estimates. The formal rules for coordinating these field estimates with ambassadors have been codified and, where everybody is rational, the system still works well, though when a COS is extremely

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<sup>5</sup> Not found.

<sup>6</sup> Helms served as DCI from 1966 to 1973 and was prosecuted in 1977 for lying to a Senate committee in 1973 regarding covert operations in Chile.

busy, going through the coordination process can sometimes be so time-consuming that it discourages reporting. We need more of this kind of reporting, but it is not being encouraged at the present time and recent revised rules on COS-Ambassador relationships,<sup>7</sup> which tilt in the direction of the Ambassador, will have the effect of *subtly discouraging* COS's from taking initiative in this area.

CIA is the central element in intelligence reporting overseas but by no means the only one. In most major countries, *several U.S. military intelligence elements* (DIA, NSA, OSI, CIC, etc) *usually outnumber the CIA Station in manpower*. With some exceptions they are *not particularly relevant* to the problem of increasing high-level political intelligence reporting. *Embassies are*.

With the State Department representation at their core, embassies usually [*less than 1 line not declassified*] USIA, AID, DEA, FAS, Peace Corps and sometimes representatives of several other U.S. Government agencies. A tolerable working relationship between the COS and Ambassador is crucial for productive political intelligence operations. Horror stories of earlier years notwithstanding (many are exaggerated), no one in CIA in recent years has challenged the principle that the Ambassador must be briefed on all essentials of intelligence activities in his country.

*But what is essential for the ambassador to know and what is not?* The trend over the past several years has been toward telling the ambassador *more and more* operational detail, *identifying sources*, explaining methods and *describing relationships*. Telling the ambassador usually results in knowledge spreading to others in the embassy (DCM, counsellors, political officers) so a process of *erosion of security* sets in. Once identity of an agent is revealed in an embassy, knowledge of the identity is almost inevitably passed on from one FSO to another through the years. *Sources and methods are compromised*. This issue is too complex and specialized to permit detailed discussion here, but let me mention a couple of tendencies that are particularly germane to the topic of this memorandum. Ambassadors are characteristically apprehensive about *CIA penetrations of the host government*; the higher the level the greater the concern. Sometimes the concern revolves crassly around the fact that the agent will tell CIA more and be more influenced by the COS than he will by the Ambassador; more frequently the ambassador honestly fears that compromise of the agent will embarrass the embassy and does not want to take any chances. So pressures build up to drop sources, especially those whose information or current position does not have obvious high priority at a given time. COS's,

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<sup>7</sup> See Document 62.

knowing the difficulty of recruiting and retaining good agents, tend to take a much longer-term view of the problem of tiding agents over lean periods than ambassadors do. The revelations and accusations of recent years have tended to make all ambassadors more cautious. So, as they learn more and more about CIA operations, the general tendency among ambassadors and State Department officers in general has been to be more and more *conservative about risks* and to attempt to *restrict CIA field operations*. This kind of atmosphere does not encourage production of more high-level political intelligence.

This aspect of the issue can perhaps be summed up by saying that most ambassadors have looked upon the opportunity—and to some degree the enjoiner—to know more about what CIA is doing as *an exhortation to be more restrictive*. Presidential letters and State Department and CIA directives defining and asserting ambassadors' authority over intelligence operations have *not* caused most ambassadors to feel responsibility or pressure for improving intelligence reporting from their missions. We went through a long effort this spring and summer to develop a Presidential letter on COS-Ambassadorial relationships<sup>8</sup> that would not be perceived primarily as cautionary and restrictive. I am not sure we succeeded too well. Neither CIA nor State—caught up in their own petty bureaucratic concerns—was very helpful in getting any sense of real dynamism into the letter in the form in which it finally went out.

The most characteristic attitude in embassies toward intelligence reporting is "let CIA do it." While State Department officers always feel responsible for doing at least a minimal degree of routine political and economic reporting, most other country team elements (USIA, MAAG, AID, etc) make a minimal contribution to a mission's reporting output. The Peace Corps, where it is still active, usually has access to levels of society with which the rest of a U.S. diplomatic mission will have little or no contact. Nevertheless, it has always been a tradition in the Peace Corps to avoid anything that could be remotely considered political reporting. If we are really interested in improved political reporting from U.S. missions abroad we must look not only to CIA and help it do better but *more importantly perhaps*, find ways of encouraging ambassadors to mobilize *the full resources of their country team* for systematic reporting.

A final word on the impact of Admiral Turner on the Agency and in particular if Admiral Turner's 800-man cut on the DDO is necessary, because this may be the most important problem of all. CIA greeted the Carter Administration with a *keen expectation* that with new leadership

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<sup>8</sup> See Document 65.

it would leave behind a period of strain and controversy and be able to rebuild its own capabilities and redirect its energies to real USG priorities. No one in CIA expected to return to the free-wheeling days of earlier years and everyone respected the need for intelligent adjustment to new restrictions and legal requirements. But there was an enormous desire to take advantage of the opportunity to be creative and energetic in pursuit of *agreed objectives* and *new challenges*. Eight months later all this sense of excitement and optimism has *dissipated*. *The prevailing mood of CIA, both on the operational and analytical sides of the agency is apprehension, depression, frustration.* Admiral Turner is separating the DDI from the DDO—something no intelligent, experienced officer on either side of the house wants or recognizes as advantageous.

For the DDO, news of the 800-man cut had a devastating effect. Not that there may not be 800 people who can be dispensed with in the directorate. This is not the problem. The problem derives from the fact that the Admiral has handled the cut as a vindictive operation. He has announced that the upper ranks are to be cleaned out: the experienced people are to be gotten rid of. Meanwhile promotions, which have steadily slowed in recent years in the DDO, have almost come to a halt. The people most affected by this are the younger and medium-level officers. Senior DDO officers long ago became accustomed to being promoted at a much slower rate than State or USIA or most of the other civilian departments of the government. To read much of the American press, one would still think the CIA and the DDO in particular were overstaffed with officers thirsting and throbbing to go out and take on dangerous duties in the far reaches of the world. This is an utterly false image. *Gradually, most of the drive and imagination and willingness to sacrifice that has been characteristic of CIA at its best ever since OSS days is disappearing. If matters go on as they have been in recent months, we will not have a clandestine intelligence service worthy of the name by the time the first Carter Administration reaches its term.* And the problem of improved political intelligence, let alone a real breakthrough in this field analogous to the scientific intelligence breakthrough we have experienced since the late 1950's, will be a totally academic consideration.

### CONCLUSIONS

- There are intrinsic, historical and bureaucratic reasons for the disparity between technical and political intelligence performance in the U.S. Government.
- There is a case for allocating more money to political intelligence collection, but it will be effectively spent only if certain preconditions are met.

- A more dynamic, creative, positive approach to human source collection is needed. This must be the responsibility of *both* CIA and the State Department.
- CIA should give heightened priority to political intelligence collection within a broadened set of objectives and more creative management procedures.
- The State Department should modernize and systematize its approach to political reporting and make this function the central responsibility of most embassies.
- Measures should be taken to mitigate the effect of breaches of security, excess publicity, cover erosion and other factors which have adversely affected intelligence operations abroad during the last few years.
- More comprehensive CIA field analytical reporting should be required and regulations governing it should be simplified.
- The principle of ambassadorial control of overseas missions should not be enforced in such fashion as to restrict and discourage creative intelligence operations.
- If any of these measures is to have any effect as far as CIA is concerned, current and accelerating negative trends in Agency morale must be reversed.

**64. Letter From the Chairman of the Senate Select Committee on Intelligence (Inouye) and the Vice Chairman of the Senate Select Committee on Intelligence (Goldwater) to President Carter<sup>1</sup>**

Washington, October 20, 1977

Dear Mr. President:

We are writing to explain in more detail the reasons for our request that the draft language we sent to you in our October 11, 1977, letter be included in the Executive Order governing the intelligence activities of the United States.<sup>2</sup> Because we fully share your expressed views that this Executive Order should serve as a model or blue print for the statutory charters which are to follow, we believe it is of utmost importance to include the language that we sent to you for your study and consideration.

The provisions are fundamental. They are critically necessary for governance of secret activities and particularly secret intelligence activities. We agree with your view that in a Constitutional government the minimum safeguard for the protection of a democratic constitutional government such as ours to protect against the possible misuse of the power that accrues from the conduct of secret activities—secret activities which at best are reviewed by only a small number of especially delegated officials in both the Executive and Legislative branches—is a full awareness of the nature of Executive branch secret intelligence activities by the Legislative branch. We are jointly committed to strengthening the constitutional oversight mechanisms of both the Executive and Legislative branches. The failure over the past thirty years of oversight must not be repeated.

In discussions with those involved in the drafting of the Executive Order on Intelligence Activities in the Executive branch, the Committee has made it clear that we fully recognize there are gray areas in which the respective prerogatives and privileges of the Legislative and Executive branches may on occasion collide. We have made it clear that we recognize that there are two sides to the question of full and complete access to information: That just as there is a danger of a President or Attorney General misusing secret authorities, or that there is a danger of an illegal “plumbers” activity on the one hand, so too, on the other

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 89, SCC036 Intelligence EO 11905, 10/18/77. No classification marking. Brackets are in the original.

<sup>2</sup> The letter commented on the proposed Executive Order on Intelligence Activities. (Ibid.)



hand, there is a danger of an irresponsible Senator or committee in the Legislative branch. And that is why we have developed with Admiral Turner a clause to add to the basic S. Res. 400<sup>3</sup> language as follows:

Consistent with the authorities and duties conferred by the Constitution upon the Executive and Legislative branches, the Director of Central Intelligence and the head of any department or agency of the United States involved in any intelligence activities shall: . . .

Further, the Committee recognizes that there are fragile and important sources and methods to be protected and that is why we have added to the language of S. Res. 400:

. . . Due consideration shall be given to the duties under law of the DCI to protect sources and methods.

And third, the Committee recognizes that the President should be allowed flexibility in the timing of reporting abuses to oversight committees. And that is why we have made the following modification:

report in a timely fashion [rather than immediately]

We would hope that our recommended language will be accepted as a whole because it is based upon a long history of events which goes back to the Second World War. Alternate language proposed by some lawyers in the Executive branch may seem at first glance neutral enough, but which in fact, if used, would trigger considerable opposition. The language that we have submitted to you for your consideration builds upon the understandings that were arrived at when the 1946 Atomic Energy Act<sup>4</sup> was enacted, that were contained in the Senate Watergate inquiries and the inquiries into illegal and improper intelligence activities. The language cited earlier recognizes the fact that the President or perhaps the Legislature may have to take extraordinary steps to deal with emergency situations in which the security of the nation is at risk. It also fully recognizes that on rare occasions an impasse may occur between the Legislative and Executive branches which may require the Courts to decide as the Constitution provides.

The Committee has delayed its introduction of statutes governing intelligence activities until this framework Executive Order has been agreed upon and issued. We recognize that the process of enacting statutes will necessarily be a lengthy one. We are also in agreement with you that there are certain intelligence activities which should not be specified in detail in legislative charters. It is therefore all the more

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<sup>3</sup> S. Res. 400, passed by the Senate in May 1976, established the Senate Select Committee on Intelligence.

<sup>4</sup> P.L. 79-585.



necessary to make it clear that we are in agreement that the oversight committees of the Congress should have full and complete access to information as set forth in the language that we have given to you. This language is based on thirty years of give and take between successive Administrations and Congresses. It contains key phrases which have been worked out carefully and after painful experience and debate, and should not be unhinged.

This recommended provision is fundamental to the success of our joint effort. We believe that it expresses the spirit of comity and our mutual conviction that meaningful and effective oversight of intelligence activities is a shared responsibility of both the Legislative and Executive branches and that to carry out this responsibility the Congress must have full access to information as set forth in the language we have sent to you. We, of course, would be happy to meet with you at any time to discuss these questions, should you wish.

With kind regards,

Aloha,

**Daniel K. Inouye**  
*Chairman*

**Barry Goldwater**  
*Vice Chairman*

## 65. Telegram From the Department of State to Select Diplomatic Posts<sup>1</sup>

Washington, October 27, 1977, 2139Z

257648. For Ambassador and Chief of Station from Secretary and DCI. Subject: Relations with the Central Intelligence Agency. Ref: CA-6693 dated December 17, 1969; State 256085.<sup>2</sup>

1. The President has approved the following instruction which reaffirms the responsibility of U.S. Ambassadors for the direction, coordination, supervision and support of the activities and programs of every element of their Missions, including specifically the activities of the CIA, and provides guidance for them and their Chiefs of Station in the discharge of their responsibilities. A strong and effective intelligence service is essential in maintaining the security of the United States and in developing the knowledge necessary for the formulation of policy. In significant instances, the timely and accurate information on foreign governments or organizations that is critical to the wise and effective conduct of our foreign relations can only be acquired covertly. Ambassadors have a special responsibility to support Chiefs of Station to achieve the most effective possible intelligence program, including that directed against third country targets. This instruction, which was drafted jointly by the Department of State and CIA, supersedes CA-6693 of December 17, 1969. The Secretary of State and the Director of Central Intelligence ask Ambassadors and Chiefs of Station to use it to ensure that the intelligence activities of their Missions yield the best possible results and are conducted in conformity with United States foreign policy interests and the basic responsibilities of this government.

2. A 1974 law and 1976 executive order bear on Ambassadors' responsibilities. PL 93-475 dated October 26, 1974, (22 USC 2603A) provides that:

"Under the direction of the President

"(1) The United States Ambassador to a foreign country shall have full responsibility for the direction, coordination and supervision of

<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 6, Chron November 1977. Secret; Roger Channel. Drafted by Saunders; cleared in draft by Vance, Turner, Read, and Wells; approved by Habib. Telegram was sent to select diplomatic posts [*text not declassified*]. The original is attached to a covering memorandum from Joan Clark to Benjamin Read, November 10.

<sup>2</sup> CA-6693 is printed in *Foreign Relations*, 1969-1976, vol. II, Organization and Management of U.S. Foreign Policy, 1969-1972, Document 311. Telegram 256085 to all diplomatic posts, October 26, 1977, transmitted Carter's letter outlining "the authority and responsibilities of Chiefs of Mission." (National Archives, RG 59, Central Foreign Policy File, D770394-0548)

all United States Government officers and employees in the country, except for personnel under the command of a United States area military commander;

“(2) The Ambassador shall keep himself fully and currently informed with respect to all activities and operations within that country . . . and

“(3) Any department or agency having officers or employees in a country shall keep the United States Ambassador fully and currently informed with respect to all activities and operations of its officers and employees in that country . . .”

3. Executive Order 11905 dated February 18, 1976, provides that the Secretary of State shall “coordinate with the Director of Central Intelligence to ensure that U.S. intelligence activities and programs are useful for and consistent with U.S. foreign policy” and further shall “support Chiefs of Mission in discharging their responsibilities to direct and coordinate the activities of all elements of their missions.”

4. The Director of Central Intelligence and the Chief of Station as the DCI’s designate are responsible under the National Security Act of 1947 for protecting intelligence sources and methods from unauthorized disclosure. Executive Order 11905 also directs that the Director of Central Intelligence “ensure that appropriate programs are developed which properly protect intelligence sources, methods and analytical procedures,” as well as “the establishment, by the intelligence community, of common security standards for managing and handling foreign intelligence systems, information, and products, and for granting access thereto.”

5. CIA’s activities abroad, any or all of which may be carried out at a particular Station according to priorities established by the Director of Central Intelligence, include:

(A) The conduct of foreign intelligence and foreign counterintelligence collection and technical and SIGINT collection programs either independently or through liaison with local intelligence and security services;

(B) As authorized by the President, the conduct of covert action—and maintenance of the infrastructure therefor—in support of U.S. national policy (e.g., non-attributable propaganda and political, paramilitary and economic actions);

(C) The coordination of foreign intelligence, foreign counterintelligence and technical and SIGINT collection activities of other U.S. departments and agencies as authorized by the President; and

(D) The conduct of third-country operations, which have global significance.

6. Chiefs of Mission have the responsibility to express a judgment on all CIA activities in their countries of accreditation in light of U.S.

objectives in the host country and in the surrounding areas and to provide assessments thereon to Washington. To enable them to discharge this responsibility, Chiefs of Station—unless CIA has been specifically exempted from this responsibility by the President or the Secretary of State—are required to keep Chiefs of Mission fully and currently informed about all CIA programs and activities carried out in their countries of accreditation. For example, the Chief of Station will:

(A) Inform the Chief of Mission well in advance of the initiation of any intelligence activities directed against objectives in the host country;

(B) Identify prior to contact host-country officials of rank equivalent to U.S. Assistant Secretaries and above whom Station personnel propose to meet inside or outside the host country;

(C) Brief the Chief of Mission in advance, in accordance with arrangements they may make, on contacts inside or outside the host country with nationals of the host country of political importance;

(D) Identify to the Chief of Mission individuals and organizations within the host country with which CIA maintains covert relationships and with which he and senior Embassy officers that he may designate have official contacts;

(E) Brief only the Chief of Mission on the number of nonofficial cover officers who are not identified to the host country as CIA employees, and on the relationship of their assignments to the Station's operational program, but identify such personnel only if the Ambassador is likely to have continuing personal contact with them. The Chief of Mission only will be informed on TDY travel to the host country of officers under nonofficial cover who will not be identified to the host country as CIA employees. Nonofficial cover officers who are identified to the host government as CIA employees and the relationship of their assignments to the Station's operational activities will be included in briefings of the Chief of Mission. Deputy Chiefs of Mission and other Embassy personnel will be informed only in exceptional circumstances.

(F) Obtain the Chief of Mission's advance clearance for visits by CIA personnel under official cover for official purposes to the host country; and

(G) Inform the Chief of Mission about activities against third country targets in detail sufficient to permit him to assess the effect discovery would have on U.S. relations with the host country.

7. The Chiefs of Mission's main concern will be with the overall effect of CIA activities on U.S. relations with the country of accreditation rather than with operational details or the identity of specific sources or methods. The Chiefs of Station are to review with the Chiefs of Mission all non-administrative communications to and from the Station except for those messages or parts of messages which would reveal

sources and methods. If a Chief of Mission feels the need for more detailed or specific information to assess political risks or the substance of a critical substantive report, he may request it. If a Chief of Station believes he should not furnish this additional information, both parties should immediately report the matter to the Department of State and to the CIA for resolution. If a Chief of Mission believes a CIA activity might impair U.S. relations with the country of accreditation, he is authorized to suspend the activity pending action in Washington.

8. It is the responsibility of the Chief of Mission to ensure that the full reporting potential of all components of his mission is realized and that they contribute to the information reporting process on a continuing basis. The information which the U.S. Government needs to fulfill its intelligence needs can frequently be derived from open and overtly handled sources and contacts. Fullest possible exploitation of these has the advantage of limiting the need for covert intelligence collection and ensuring that sensitive operations and personnel are concentrated on the highest priorities. In addition to exercising his coordination role as stated in paragraph 5C above, the Chief of Station should be prepared to give the Chief of Mission his views on how all aspects of the Mission's reporting contribute to the intelligence process.

9. This directive is addressed to Chiefs of Mission in their role as Ambassadors responsible to the President and the responsibilities and authorities set forth herein are not delegable except in the prolonged absence of the Chief of Mission. In his absence these responsibilities devolve upon the Charge. The Department of State will assure that Deputy Chiefs of Mission have the necessary security clearances and are fully briefed to discharge these responsibilities with regard to the intelligence mission. To the extent that the Chief of Mission deems necessary, after consultation with the Chief of Station as the representative of the DCI, the Deputy Chief of Mission should be kept informed of the Station's activities.

10. The views of Chiefs of Mission on any matters affecting the Station's relationships with their mission may also be discussed with senior Foreign Service inspectors, who will have been briefed by CIA in Washington.

Vance

## 66. Memorandum From the Chairman of the Intelligence Oversight Board (Farmer) to President Carter<sup>1</sup>

Washington, November 1, 1977

### ISSUE

Would an Executive Order requirement that the IOB report to both the President and the Justice Department undermine its confidential operation?

The members of the Intelligence Oversight Board oppose the proposal of the Attorney General to amend the current draft of Executive Order 11905<sup>2</sup> to require that the IOB report to the Attorney General as well as the President certain analyses and recommendations prepared for the President. It is our judgment that such a requirement impairs the confidentiality of IOB advice to the President and opens it to excessive Congressional scrutiny and possibly to Freedom of Information processes.

The latest redraft of Executive Order 11905 provides that the IOB, as part of the White House staff, reports to the President only. President Ford's Order requires the IOB *to report* to the Justice Department, as well as to the President, on matters which in the Board's view raise serious questions of legality. The present redraft requires the IOB *to forward* to the Attorney General only those matters identified as legal issues in an intelligence agency's report to the IOB. The Attorney General proposes to modify the current draft of the Executive Order, as outlined in his recent memorandum to you. Nevertheless, we recommend adoption of the current draft for the following reasons.

The Senate Intelligence Committee staff has indicated a desire that the IOB be more independent of the President and exercise its oversight function in some form of collaboration with the Committee. The Committee staff specifically cites the existing requirement for IOB reports to the Attorney General as the basis for treating the IOB as different from other White House staff and, therefore, more amenable to Congressional scrutiny. From a purely legal standpoint, the question of Congressional access to Presidential advisors is unclear.

There are no controlling court decisions. However, extensive precedent of a largely political nature does indicate consistent Congressional reluctance to demand access to the work and recommendations of the President's personal staff.

<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Subject File, Box 29, Intelligence Oversight Board, 3-12/77. No classification marking. Printed from an unsigned copy.

<sup>2</sup> Neither the Attorney General's proposal nor the draft executive order was found.

You have told us that you wish the IOB to function as a small group of confidential advisors, not subject to direct dealings with Congress except in rare situations under specific Presidential instruction to do so. Furthermore, in your reorganization of the Executive Office you made a deliberate decision that the IOB should be a part of the White House Office. The IOB believes that decision would be undermined by imposing a formal reporting requirement on the IOB different from that of any other member of the White House staff.

The members of the IOB feel strongly that IOB advice to the President must enjoy the same kind of confidentiality as do communications between the President and other members of his White House staff. This is true whether the IOB's report to the President concerns a matter raised by an intelligence agency, a matter uncovered by the IOB in the course of its oversight, or a matter referred to the IOB by the President. While the President's Counsel frequently consults with the Attorney General on matters being prepared for Presidential consideration, such referrals are made on the basis of the Counsel's own judgment and not as a result of a blanket requirement imposed by Executive Order to report all legal issues.

Under established procedures, the Counsel also automatically refers to the Attorney General any indications of criminal violations. This referral implements the general obligation of all Government officials to report crimes to the Justice Department. Therefore, it seems unnecessary and inappropriate for the Executive Order to address it again through a broad reporting requirement on all legal issues.

All indications are that the operation of Executive Branch oversight of intelligence activities will be raised when the Senate considers the upcoming legislation on the intelligence community, and that attempts will then be made to legislate some sort of relationship between the IOB and the Congressional oversight committees. In our opinion, such ties would lessen the effectiveness of the IOB as a Presidential instrument and should therefore be opposed. A continuation in the Executive Order of dual reporting requirements for the IOB would make it considerably more difficult to resist that type of legislation.

## 67. Summary of Conclusions of a Policy Review Committee Meeting<sup>1</sup>

Washington, November 25, 1977, 10:00–11:30 a.m.

### SUBJECT

Intelligence Requirements

### PARTICIPANTS

CIA  
Stansfield Turner (Chairman)  
Dr. Robert Bowie

*State*  
Cyrus Vance  
Harold Saunders

JCS  
General George Brown  
Lt. Gen. William Smith

*Defense*  
Harold Brown  
Dr. William J. Perry  
Adm Daniel J. Murphy

ACDA  
Spurgeon Keeny

*Treasury*  
Robert Carswell  
J. Foster Collins

NSC  
Zbigniew Brzezinski  
David Aaron  
Samuel Hoskinson  
Robert Rosenberg

### SUMMARY OF CONCLUSIONS

The DCI chaired this meeting with the purpose of defining and ranking substantive intelligence requirements as directed by PD-17.<sup>2</sup> An interagency working group chaired by the Deputy to the DCI for National Intelligence had prepared two requirements lists<sup>3</sup> to stimulate PRC thinking: one of general longer-term topics of “basic continuing interest” to guide the development of Intelligence Community capabilities; the second of short-term topics the principal intelligence consumers believe of importance to policy decisions that loom in the next six to nine months.

Initial discussion focused on the topics for near term (six to nine months) intelligence production.

—Dr. Brzezinski opined that the working group list was useful and a step forward but focused almost entirely on “political analysis” rather than “political intelligence.” In his opinion, much more “political

<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 67, PRC 046, Intelligence, 11/25/1977. Secret. The meeting took place in the White House Situation Room.

<sup>2</sup> See Document 59.

<sup>3</sup> See Document 61.



intelligence” involving factual reporting on the perceptions, objectives, plans and tactics of key leaders and governments was needed by the policymakers in addition to the normal analytical product. There was general agreement with this proposition and it was clear from the discussion that more factual, as opposed to analytical, reporting was desired on economic and military topics as well. It was decided that a list of policy initiatives that will be important over the next year should be compiled from which specific requirements for political intelligence can be derived.

—Secretary Vance agreed with the observation that traditional embassy political reporting must be strengthened, especially in countries where covert collection is limited for policy reasons, to meet the new emphasis on in depth factual reporting. He felt that it would be helpful to send the embassies the final requirements list that emerges from the PRC along with an introductory statement about what it was intended to achieve.

—Secretary Brown and General Brown both cautioned that the new emphasis on political intelligence must not be done at the cost of or result in reduced emphasis on intelligence concerning traditional national security interests relating to military defense concerns.

—Each of the principals provided the DCI with specific additions, modifications or substitutions they wished to make to the short-term requirements list. (Messrs. Bowie and Hoskinson kept book).<sup>4</sup>

The following major points emerged for discussion of the list of longer-term topics intended to guide the development of Intelligence Community capabilities.

—The topics were so broad as to be virtually meaningless for discussion purposes.

—An attempt should be made to reflect the relative emphasis that should be given to different areas and topics.

As soon as both lists are revised, the DCI will decide whether another PRC meeting is necessary or whether they can be approved by written correspondence between the principals.

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<sup>4</sup> Not found.

**68. Memorandum From Michael Armacost and Michael Oksenberg of the National Security Council Staff to the President's Assistant for National Security Affairs (Brzezinski)<sup>1</sup>**

Washington, November 28, 1977

SUBJECT

NSC Staff Access to State Evening Notes and PDB Items

We are increasingly concerned that we are not being kept informed of important intelligence and policy items going regularly to the President. This problem, we understand, may soon become even more serious since the President will now be receiving selected raw intelligence items each day.

Naturally, we do not gainsay the President's right to have privileged channels of communications with his key advisors. Our concern is that the system does not adequately protect the President's interests. For example, on several occasions State has sent forward items affecting Vietnam, Korea, or Indonesia that had not been cleared with EA. The regional considerations had not been adequately addressed. Moreover, the PDB system—particularly with the added call for raw intelligence—allows the CIA upon occasion to advance parochial views and interests. We are concerned, in short, that items in our area reach the President without adequate context or perspective.

We are also concerned that we cannot effectively acquit our own responsibilities to you and to the President if we are unaware of important recommendations that are going to him on Asian matters. Insofar as State officials are convinced, moreover, that their Evening Reports are not regularly distributed to the NSC Staff, they have begun to seek more and more of their guidance from the President through that informal vehicle. We are only erratically informed of these items by the Front Office, and are frequently placed in the position of having State people quote back to us Presidential marginal notes which we have not seen. The Indochinese refugee problem is but one recent example where State did not like your memorandum and therefore used the Evening Report to go directly to the President.<sup>2</sup>

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Agency File, Box 11, NSC, 4-12/77. Confidential. Sent for action. Brzezinski wrote "RI [Rick Inderfurth] Speak to me" at the top of the memorandum.

<sup>2</sup> Brzezinski wrote "agree" beside this paragraph. The Indochinese refugee problem refers to the vast number of individuals fleeing Vietnam, Laos, and Kampuchea to find refuge in safer territories like Thailand, Malaysia, and Indonesia. Brzezinski's memorandum was not found.

If this situation continues, the NSC's role in the interagency process will be further depreciated. Our principal bureaucratic leverage with the Departments—which after all have large staffs, lines of communications to the fields, and better access to the Congress—inheres in our proximity to the President and knowledge of the information that goes to him. We feel we are losing that advantage, and thereby are positioned less effectively to serve the President's and your own needs.

RECOMMENDATION:

That you routinely circulate on an “eyes only” basis the PDB and State Evening Reports to each cluster.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_<sup>3</sup>

Alternatively, that the Front Office send to each cluster all items of interest on an “eyes only” basis.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_<sup>4</sup>

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<sup>3</sup> Brzezinski underlined “the PDB” and checked the “Disapprove” line.

<sup>4</sup> Brzezinski changed “items of interest” to “action items” and checked the “Approve” line. Beneath the recommendations, Rick Inderfurth wrote, “*Comment*: 1. The President would *never* approve distributing the PDB to the staff. Also, remember that about 90% of the items contained in the PDB are, either sooner or later, contained in the National Intelligence Daily (NID) *which the staff does see*.” Aaron wrote “irrelevant” adjacent to this comment. Inderfurth continued, “2. With few exceptions, *action* items contained in Vance’s evening report are sent to the appropriate NSC staff member after the Pres. has commented. 3. My recommendation: That you discuss this problem with Vance + ask his views (due to Vance’s desire for confidentiality for his Evening Report channel). Rick.” Aaron wrote “weak” adjacent to comment number 3.

**69. Memorandum From Paul Henze of the National Security Council Staff to the President's Assistant for National Security Affairs (Brzezinski)<sup>1</sup>**

Washington, November 30, 1977

SUBJECT

Better Political Intelligence—Memorandum for Stan Turner

As you requested, I have prepared a memorandum from you to Turner (TAB A) incorporating the most important ideas that have emerged from recent discussion of how to improve political intelligence production. His correspondence to you is at TAB B.<sup>2</sup>

The main thrust of the memorandum is directed at the DDO, but it has important implications for the analytical side of CIA as well. Talk about improving analysis has so far meant much more quantity but not much improvement in quality. Too much of the paper which pours out from the Agency (and from other parts of the Intelligence Community as well) is not much better than average graduate-school seminar material. It is too wordy. The policy makers it is intended to serve can't possibly find time to read most of it. The Agency has the capacity to do better, but I have the impression that Professor Bowie has not yet really tried to grasp what you have been saying about this problem.

The main problem with the DDO is that the personnel-cutting process has been so mishandled by Turner that the directorate is in danger of losing its sense of drive and creativity. The improvements you want in political reporting can help restore a clear sense of purpose and importance to the DDO, but there also needs to be some mitigation of the vindictive atmosphere which now prevails in the directorate.

There is a danger that the whole subject of improving political intelligence reporting and analysis could get sidetracked. For this reason, I included in the attached memorandum requests for three specific kinds of response from the Agency:

- (a) reviews of reporting in 30 key countries,
- (b) a list of countries where ambassadorial or other restrictions inhibit or prevent expansion of reporting, and
- (c) questions on the "hard target" area.

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<sup>1</sup> Source: National Security Council, Carter Intelligence Files, Political Intelligence and Analysis—Reporting, Nov–Dec 1977. Secret. Outside System. Sent for action.

<sup>2</sup> Tabs A and B are attached but not printed.

In putting this memorandum together I drew on Sam's report on last Friday's PRC meeting, too.<sup>3</sup>

There remains the question of what State is or might be doing to improve reporting performance of embassies. Do you want me to draft a memorandum from you to Vance on this subject?<sup>4</sup>

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<sup>3</sup> Hoskinson's report on the PRC meeting on Friday, November 25, was not found, but see Document 67.

<sup>4</sup> Beneath the final paragraph, Inderfurth wrote, "A very good suggestion. State should be encouraged (prodded) to improve its political + economic reporting. Rick." An unknown hand added, "ZB—YES. Hal Saunders needs help."

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## **70. Memorandum From the President's Deputy Assistant for National Security Affairs (Aaron) to President Carter<sup>1</sup>**

Washington, December 12, 1977

### **SUBJECT**

New Executive Order for the Intelligence Community

The SCC has completed lengthy and detailed consideration of a proposed new Executive Order for the Intelligence Community (Tab A).<sup>2</sup> Per your instruction in PD-17,<sup>3</sup> Stan Turner and Harold Brown prepared the initial draft and then others with different perspectives—most notably the Vice President, Griffin Bell, Cy Vance, Bob Lipshutz, Stu Eizenstat, Tom Farmer<sup>4</sup> and their senior associates—were involved through the NSC system in a comprehensive review of the major issues posed in this sensitive area. There was also an unprecedented degree of involvement and input at each stage by the Senate Select Committee on Intelligence<sup>5</sup> and to a lesser degree by the new House Select Committee.

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 33, PRM 11 (2 of 2). Confidential. Sent for action. "The President has seen" is stamped at the top of the memorandum.

<sup>2</sup> Not found attached.

<sup>3</sup> See Document 59.

<sup>4</sup> See Document 66.

<sup>5</sup> See Document 64.

The end result is a proposed Executive Order that reflects both the letter and spirit of your reorganization decisions and which provides for the necessary restrictions on and oversight of our foreign intelligence and counterintelligence activities without interfering unnecessarily with the legitimate intelligence collection and production process. My staff worked particularly closely with the Justice Department on the critical restrictions section. The Vice President has also reviewed it, and agrees with it.

While some at State and a minority on the Select Committees would have imposed more far-reaching restrictions on certain types of activities, all agree that the proposed new Executive Order represents a responsible step forward from the existing Ford Administration Order<sup>6</sup> and will provide an acceptable framework for foreign intelligence activities until acceptable statutory charters can be enacted by Congress. We can expect some criticism that we have not gone far enough but we believe we have struck the right balance and avoided restrictions that would cripple our national foreign intelligence effort.

It is not necessary to read through the entire lengthy draft but, before OMB puts it in final form for publishing, your specific guidance is needed on the following major issues:

1. The most difficult problem to handle with the Senate Select Committee was the provision for reporting to Congress. The Committee's initial demands would have amounted to a broad waiver of Executive privilege without any qualification but, after coming close to the point of confrontation, the Committee now appears reasonably content with a "compromise" position developed by the Justice Department and incorporated into the current draft. (Section 5(d)(1)–(3), p. 49). The language tracks S. Res. 400, which established the Select Committee, except for the preamble that limits its application to be consistent with applicable authorities and duties, including those conferred by the Constitution and to give due consideration to the protection of sources and methods.

The Attorney General believes that this formulation "would permit the Executive Branch to raise all current legal objections to disclosure" and to assert Executive privilege, if necessary (Tab B).<sup>7</sup> Cy Vance finds this formulation acceptable but others have expressed some concerns. Harold Brown is concerned that the Administration's flexibility in dealing with the Congressional oversight committees may be limited too much and thinks that more assertive language subjecting Congressional reporting to undefined Presidential "standards" would help. On the

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<sup>6</sup> Reference to E.O. 11905.

<sup>7</sup> Not found attached.

other hand, Stan Turner is concerned that even the reference to your right to “establish procedures” for reporting to the Select Committees goes too far and could be misunderstood and eventually cause problems with Congress.

Tom Farmer and Bob Lipshutz believe that the reporting provision to Congress should specify clearly your intentions—as expressed in a letter you sent to Senator Inouye last summer<sup>8</sup>—to determine yourself when IOB-reported possible illegalities or improprieties have occurred and, when corrective action is warranted, report them to Congress. In practice this probably means that only insignificant (i.e., those improprieties which did not call for corrective action) would *not* be reported to Congress. All illegal acts will be automatically reported to the Attorney General for appropriate action by the Justice Department, and also reported to the Intelligence Committees. The language in the SCC approved draft E.O. (Section 5(d)(3), p. 49) was carefully drafted to leave you the implicit latitude to determine yourself when alleged illegalities or improprieties actually have occurred, since all reporting is “under such procedures as the President may establish.” It would, however, commit you to report even those insignificant improprieties that in your judgment did not warrant remedial action.

Farmer and Lipshutz are concerned to make sure that senior Administration officials understand the procedures you wish to follow and do not, as Stan Turner says he intends, report possible abuses on their own without first advising you. They also hope to protect you and the IOB as much as possible from Congressional second-guessing. The counter argument is that this explicit approach will almost certainly be interpreted out of context as a large loophole for you to cover up from Congress your Administration’s future intelligence abuses when in fact it is hard to imagine an actual impropriety you would not want to do something about; and, if it was so trivial that no remedial action was warranted, in most such cases little would be lost in reporting it to Congress. The Select Committees will also tend to suspect the worst, and we are counting on them to negate possible criticism of other areas of the E.O. This is why the SCC members favored a less explicit approach than that set out in your earlier letter to Senator Inouye, that nevertheless implicitly protects your option to decide for yourself when abuses actually have occurred and gives up the meaningless, but politically very troublesome, exception of not reporting insignificant improprieties to Congress on the grounds that “no corrective action was warranted.”

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<sup>8</sup> See Document 58.

I believe *you should accept the Attorney General's formulation in entirety* on the basis of his judgment that your constitutional prerogatives are adequately protected and your retention of the implicit option to decide yourself when abuses have occurred and will be reported to Congress. This would in effect codify the status quo. To do less would destroy the goodwill we have so carefully nurtured with the Committees and which we will need as they turn more actively to the business of drafting statutory charters. It could also contribute to a public impression of possible erosion of legitimate Congressional oversight.

#### RECOMMENDATION

That you approve the Attorney General's recommended language on reporting to Congress. (Section 5(d)(1)–(3) p. 49)

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_<sup>9</sup>

2. Stan Turner, in his own words, “would like to make clear that he believes the Executive Order is seriously flawed” because it fails to give him “full control” over the National Foreign Intelligence Program Budget. PD-17 gives the DCI “full and exclusive authority” for the “approval” of the NFIP budget prior to its submission to you and for monitoring its implementation but is silent on the issue of what specific programs should be included in the NFIP. This was done purposefully since the intent was to only give the DCI budget control over predominantly “national” intelligence activities and some of the programs in the present NFIP are “tactical” and, therefore, should be removed and considered in the regular departmental budgets.

a. What seems to bother Stan most is a provision in the E.O. to the effect that he and Harold Brown must agree on which Defense intelligence programs are predominantly “national” in character and therefore put into a newly constructed NFIP, rather than starting with everything presently in the NFIP—including a significant number of clearly “tactical” programs—and agreeing on what should be removed. (Section 2(g) (3), p. 4). In my view, the problem is much more imagined than real since Harold has promised repeatedly to put everything “national” under Stan’s full budget control as you intended in PD-17 and is fully reconciled to your reorganization decisions. Moreover, there is a provision in the E.O. for NSC review of the composition of the NFIP budget so that a court of appeals exists to arbitrate any differences that might arise over “national” and “tactical” in the future. This has worked well in this year’s budget review.

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<sup>9</sup> Carter checked the “APPROVE” line and wrote in the margin, “JC. Abbreviate & simplify if possible.”



b. Stan Turner would also like to change the draft E.O. to specifically state that the FBI's foreign intelligence and counterintelligence activities will be part of the NFIP budget rather than to be subject to inclusion only upon agreement between the DCI and the Bureau as are other elements of the NFIP like the State Department's intelligence unit. While he intends to leave the FBI's foreign intelligence programs within the NFIP, Griffin Bell feels "very strongly" that the Attorney General has certain special responsibilities to protect the rights of Americans and that the more obvious potential for abuse, both in terms of public perception and institutional bias, would result from giving the DCI any irrevocable control on FBI activity in this country. Given the strength of the Attorney General's opinion and the fact that the NSC will, in any event, retain a capability to review decisions by the DCI and Attorney General in this area, I believe the FBI should not be irrevocably included in the NFIP.<sup>10</sup>

#### RECOMMENDATION

That no changes be made in the provisions of the draft E.O. that pertain to the NFIP budget (Section 2(g) (1)–(4), p. 4)

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_<sup>11</sup>

3. There was considerable discussion within the SCC about intelligence officers participating in U.S.-based organizations on an undisclosed basis. All agree intelligence agencies should be banned from influencing the activities of U.S. organizations or spying on Americans. No one, on the other hand, objects to undisclosed participation for foreign intelligence and counterintelligence purposes in organizations composed primarily of non-U.S. persons which are reasonably believed to be acting on behalf of a foreign power (like Soviet trading entities). Nor is there any serious objection to undisclosed participation in U.S. organizations (universities, professional groups, etc.) for the purpose of enhancing professional qualifications or for obtaining non-proprietary information. The Vice President and Cy Vance, however, are troubled by CIA's operational requirement for undisclosed personnel membership in U.S. organizations for the purposes of "spotting" possible sources, contacts or recruits and for developing credible cover for subsequent intelligence activities abroad. While they reluctantly accept this requirement, the Vice President in particular is concerned that to detail it in the E.O. could cause strong criticism on this sensitive issue. Therefore, the Justice Department has drafted general language (Section 4(b) (7) p. 39) to allow for such activities under strictly limited conditions and procedures approved by the Attorney General and for published purposes only. CIA finds this requirement onerous and fears that it

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<sup>10</sup> Carter wrote "I agree" in the margin next to this sentence.

<sup>11</sup> Carter checked the "DISAPPROVE" line.

will involve them in endless bureaucratic red tape but in the end should be able to live with it. I see no other alternative.

#### RECOMMENDATION

That you approve the Justice Department's proposed language to cover the more controversial CIA involvements in U.S. organizations. (Section 4(b) (7) pp. 39–40).

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_<sup>12</sup>

4. Cy Vance tabled for SCC discussion prohibitions against the use of U.S.-funded exchange programs for intelligence purposes and against "covert destabilization" of "friendly" governments. There was no other support for inclusion of either prohibition in the E.O. The Justice Department, on behalf of the FBI, is strongly opposed to the exchange program prohibition since it would both dry up a useful source of information and provide the KGB with a secure and safe mechanism to engage in espionage in this country. State was content to have a hearing on the "covert destabilization" prohibition in view of the fact that any proposed programs of this nature would first have to be recommended by the SCC, approved by you and reported to Congress.

#### RECOMMENDATION

That neither the covert destabilization nor exchange programs prohibitions be included in the E.O.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_<sup>13</sup>

5. Practical experience since the issuance of PD-17 last summer has demonstrated the need to clarify the relationship between the DCI's "full and exclusive" control of the NFIP budget and the PRC's new role of establishing the highest level consumer requirements for foreign intelligence. If NSC-level consumer requirements are really going to drive the activities of the Intelligence Community they must be reflected in and form the ultimate basis for budget decisions. In practice, however, two different staff bureaucracies are involved and, unless they are forced to come together at budget time there will be a continuing tendency for each to go its own way. Therefore, I believe there should be a provision in the E.O. that requires the PRC to review the proposed NFIP budget *prior* to its submission to you to consider its responsiveness to NSC-level consumer requirements. Since Turner would be chairing the PRC for these purposes it would not be an erosion of his budget authority and would help ensure that the consumer requirements-intelligence programs loop is closed.

<sup>12</sup> Carter checked the "DISAPPROVE" line.

<sup>13</sup> Carter checked the "APPROVE" line.

*RECOMMENDATION*

That you approve clarification in the E.O. of relationships between the PRC “consumer’s union” and the NFIP budget process as indicated above. (Section 3(b) (1) (iv), p. 7)

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_<sup>14</sup>

6. In PD–17 you directed that the National Security Council should act as the “highest organizational entity that provides guidance and direction to the development and formulation of national intelligence activities” and assigned important new intelligence review responsibilities to both the SCC and PRC. This requires a more active NSC Staff role and involvement in the business of the Intelligence Community than in the past, especially in the budget and sensitive activities areas. This new role would be facilitated by providing an NSC Staff observer seat on the National Foreign Intelligence Board (NFIB) which is to be chaired by the DCI and meets regularly to advise him on major foreign intelligence issues, some of which later come before NSC committees for resolution. This will not be popular with the traditionalists in the intelligence bureaucracy who prefer as little White House involvement as possible in their affairs but is totally consistent with the main thrust of the Executive Order.

*RECOMMENDATION*

That a representative of the Assistant to the President for National Security Affairs be given observer status at NFIB meetings.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_<sup>15</sup>

7. The whole intelligence field is still a highly politicized subject and we will want to give careful attention to how we make public the new Executive Order. It would, therefore, be most helpful if you could meet with leaders of the House and Senate Select Committees when the Executive Order is officially issued to thank them for their unprecedented cooperation and to let them share some of the credit. This is one area where we also deserve credit for working well with Congress, and it will be most helpful to have their full support in responding to the inevitable critics.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_<sup>16</sup>

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<sup>14</sup> Carter wrote a question mark beside this recommendation. He checked the “DISAPPROVE” line.

<sup>15</sup> Carter checked the “DISAPPROVE” line.

<sup>16</sup> Carter checked the “APPROVE” line and initialed “JC” at the bottom of the page.

**71. Note From President Carter to the President's Assistant for National Security Affairs (Brzezinski)<sup>1</sup>**

Washington, December 13, 1977

To Zbig

(1) Entire ExOrder is excessively verbose, repetitive & confusing—even worse than Ford's 11905—Many paragraphs unnecessary—

(2) Paragraph designations are impossible—3(c)(2)(iii)(A)—could be 3323(A)

(3) 2(g)(3)—(p4)—Keep present arrangement of functions—Let any changes be decided by a) DCI & dep't head or b) by me.

(4) 3(b)(1)(iv)—(p7) I see no reason for PRC to review the budget except after it is submitted by DCI to OMB. Comments to me by PRC would be o.k.

(5) Too much verbiage about NSC SCC 3(c)—I'm not sure any of it is necessary.

(6) 4(b)(7)—(pp 39–40) I suggest deletion

(7) 5(a)(2)(v)—(pp 46–47) Is this what we have now?

(8) Keeping substance as approved by me, let Bob Lipshutz help to correct problems (1) and (2) above. Expedite

J.C.

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 33, PRM 11 (2 of 2). No classification marking. The note is handwritten.

**72. Memorandum From Director of Central Intelligence Turner to President Carter<sup>1</sup>**

Washington, January 7, 1978

**SUBJECT**

New Executive Order on Intelligence

One provision of the new Executive Order on intelligence [Section 4 (c)] requires the SCC to make recommendations or give approval to sensitive intelligence collection operations. As understandable as it is to place some form of control over such operations, I believe that this provision may cause more problems than the added control will be worth. Specifically:

a. We all recall the instance in which you cancelled two clandestine operations because they had been disclosed to a few members of one committee of Congress. I suggest that the visibility of the SCC process and its track record on security warrants more concern than the Congress. If, to meet this danger, we drastically curtail SCC staffing procedures, we may place a very high burden on the SCC principals, depending on the number of such operations considered to be sensitive.

b. There is no way to define “sensitive” in this context, e.g., expense, location or number of U.S. persons involved all could miss the mark. What is sensitive in one country may not be in the next, at one moment not the next, etc. Also, operations approved and in train as nonsensitive can turn sensitive for a wide variety of reasons. In short, we are virtually dependent on the DCI to recognize and identify sensitive operations, no matter what the review process. What the Executive Order can do is to establish pressures on the DCI to identify sensitive operations and subject them to added scrutiny outside the Intelligence Community. This could be achieved with the following wording:

“The DCI shall report in writing to the SCC on the following types of collection programs:

(1) All national reconnaissance programs involving manned vehicles.

(2) [1 paragraph (5 lines) not declassified]

(3) Any program which by its nature might raise questions of propriety or legality. (Included in this category would be operations

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<sup>1</sup> Source: Carter Library, National Security Affairs, Staff Material, Office, Box 134, Intelligence Charter EO 12036, 1/9/78. Secret. Carter wrote at the top of the memorandum, “Zbig & Stan—I agree w/this, but prefer to let it be omitted from E.O. & handled as a standard issued by me. J.” Brackets are in the original.

along the following lines: operations involving the use of persons or organizations with whom relationships are prohibited under CIA regulations [DOI 50–10] in those instances where in the Agency's judgment the potential intelligence gains justified a waiver of the regulation; operations in United States trust territories; operations involving cooperation with private American corporations or other private institutions [other than cover arrangements] which by their nature could raise ethical or conflict of interest issues.)

(4) Programs to counter international terrorism.

(5) Programs to counter international narcotics traffic.

"The DCI shall be held responsible for making the basic determination of which other clandestine operations shall be reported to the SCC prior to their implementation and which should be reviewed by the SCC on a periodic basis. The procedure for SCC notification shall be an oral report to the Chairman by the DCI, leaving it to the Chairman's discretion as to whether or not to advise the Secretary of State, other members of the SCC, and/or to refer the operation to the President for approval. In addition, the DCI shall provide an annual oral briefing to the SCC on ongoing clandestine operations which he deems to be politically sensitive. The DCI shall also be required to immediately call to the SCC Chairman's attention any ongoing operation that for reasons of compromise, possible compromise or because of contemporary political developments may cause embarrassment to the United States and/or which in his judgment may have assumed unacceptable political risks."

This wording avoids the requirement for a specific written review process of the most sensitive operations which:

(a) Might have to be circumvented in some instances due to extreme sensitivity;

(b) Might well lead to enactment in Congressional charters of a provision for notification to Congress of all operations approved as a result of the SCC process (in the image of notification on covert actions). Note that the Intelligence Oversight Board has already asked to see all such SCC actions on clandestine operations.

Stansfield Turner<sup>2</sup>

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<sup>2</sup> Turner signed "Stan Turner" above this typed signature.

**73. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) and the President's Deputy Assistant for National Security Affairs (Aaron) to Vice President Mondale<sup>1</sup>**

Washington, January 9, 1978

SUBJECT

Meeting with the President on the Executive Order for the Intelligence Community

At TAB A<sup>2</sup> is a copy of the redrafted Executive Order for you to present to the President. Also included is a draft proposed public statement (TAB B)<sup>3</sup> that doubles as well as a summary and answers to questions the President posed on the last draft (TAB C).<sup>4</sup>

Some points worth making to the President include:

—This new draft is a *good faith effort to meet the President's full requirements on style, clarity, and brevity without sacrificing content*. All of his points, comments, and suggestions have been addressed. The restrictions section has been entirely rewritten and the rest of the text severely edited and to a degree, restructured. The new text is 15 pages less (*or about 30 percent shorter*) than the draft the President reviewed over the Christmas holidays.

—A *draft public statement has also been written which doubles as well as a layman's summary*. This is intended to be the President's brief, non-legalistic explanation to the American people.

—The present draft *should be acceptable to most members of the Congressional oversight committees*. All will recognize it as an important step forward from President Ford's E.O. 11905. It is detailed enough to form the Administration's basic position on statutory charters but falls short of the far-reaching restrictions that some Select Committee members want and which could cripple our national intelligence effort. Congressional support will help us defend against a certain inevitable amount of criticism from some of the public interest groups (i.e., ACLU, Mort Halperin,<sup>5</sup> et al).

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Subject File, Box 30, Intelligence Reorganization 1/78. Unclassified. Sent for information. Printed from a copy that only Aaron initialed.

<sup>2</sup> Attached but not printed.

<sup>3</sup> Not found attached.

<sup>4</sup> Not found attached. For the President's questions, see Document 71.

<sup>5</sup> Halperin was Director of the Center for National Security Studies.

—The present draft is *defendable in public*. It is a reasonable and responsible approach to the problem which builds on past experience and looks forward to further steps in the same direction. Combined with a Presidential summary statement, it is understandable to the uninitiated but interested people and meets the challenge of studious potential critics who are well versed in the legalisms of the intelligence business.

—All involved—Zbig, Stan, Harold, Griffin and Bob<sup>6</sup>—agree that the President should *endorse this improved draft in principle subject to a final interagency technical review* that there have been no inadvertent errors in the severe editing process.

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<sup>6</sup> Zbigniew Brzezinski, Stansfield Turner, Harold Brown, Griffin Bell, and Robert Lipshutz.

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#### 74. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>

Washington, undated

##### SUBJECT

New Executive Order for the Intelligence Community

The new Executive Order codifies and implements the major relationships between the Secretary of Defense and the DCI set forth in PD-17 (Tab A).<sup>2</sup> The original draft of the Executive Order was produced jointly by Harold and Stan, they participated actively in the NSC review of successive drafts and seem to have a common understanding about their respective roles in the future.

Under the new Executive Order, the *DCI will*:

—Develop and approve a consolidated budget composed of the national intelligence programs of all departments and agencies (80%

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977-1981, Box 12, PD 17 [8]. Unclassified. Sent for information. Carter wrote at the top of the page, "Zbig—OK—Let someone who is qualified double check EO for wording, legal technicalities. JC." The NSC provenance profile indicates that the date of the memorandum was January 11, 1978. (Ibid.)

<sup>2</sup> Not found attached. For the text of PD-17, see Document 59.



in DOD) for submission through OMB to you, present this budget to Congress, monitor its implementation and be responsible for any reprogramming actions. The interagency National Foreign Intelligence Board, which includes all of the program managers, advises the DCI on his budgetary responsibilities, and the relevant department heads are given an explicit right of appeal directly to you.

—Task all national intelligence collection systems (most of which are under DOD line management) through the new National Intelligence Tasking Center (NITC) which will be jointly manned by civilian and military personnel. Normally the DCI will control the NITC but there is a provision for you to turn over full control to the Secretary of Defense during periods of crisis or during war. The NITC will translate requirements validated by the PRC (which includes the Secretary of Defense and Chairman, JCS) into specific collection targets and assign these to appropriate intelligence collection organizations.

—Produce finished national intelligence products (estimates, memoranda and other reports) in consultation with departmental analytical centers like the Defense Intelligence Agency.

Under the new Executive Order, *the Secretary of Defense will:*

—Continue to have responsibility for day-to-day operation (including authority to hire and fire) of NSA, DIA, NRO and the intelligence elements of the military services.

—Act as executive agent for USG for all signals intelligence and communications security activities.

—Provide for timely transmission of “critical” intelligence as defined by the DCI.

—Have full tasking, budget and production responsibilities for all tactical military intelligence activities.

In short, the new Executive Order centralizes under the DCI collection tasking (during peacetime and with the direction of the PRC), budget control of all national intelligence activities and analysis for NSC-level users. The Secretary of Defense retains daily operational responsibility for all DOD intelligence programs including collection of signals intelligence, responds to national intelligence collection tasking by DCI, and has his own analytical support (DIA).

The relationship between the DCI and the Secretary of Defense is complex but both know what is expected of them. This will not, of course, guarantee success but should work satisfactorily if *both* work at it in a constructive manner.

75. **Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to Director of Central Intelligence Turner<sup>1</sup>**

Washington, January 14, 1978

SUBJECT

Political Intelligence and Analyses

After reviewing the record of the dinner meeting you hosted on October 27,<sup>2</sup> and reflecting on the discussion at the PRC meeting on November 25,<sup>3</sup> I want to provide you with a few personal observations relating to the problem of improving political intelligence.

As I see it, the political intelligence problem has three elements: a lack of priority attention to the opportunities for overt collection; insufficient collection by clandestine means of basic political and economic information; and inadequate exploitation of information already in hand. The first of these problems should be easiest to remedy, but it is not your problem. I am taking it up separately with Cy Vance because most of this work needs to be done by embassies. The other two are primarily within your area of responsibility.

*Clandestine Collection*

Good analyses cannot be based on inadequate information. We need to know more about thoughts and plans of key leaders of groups in important advanced and secondary countries, how they make policy decisions and how they will react to our decisions and those of other powers. More often than not, clandestine collection is likely to be the best source of this information.

In this connection, I am concerned that [*less than 1 line not declassified*] the clandestine collection efforts go into "hard targets," especially the Soviet Union [*10 lines not declassified*]

I understand that various kinds of restrictions on clandestine collection hamper efforts in some countries. I would appreciate having a paper on this subject, describing each situation where restrictions, whether imposed by ambassadors or resulting from other factors that are to some degree under our control, limit intelligence reporting. We

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Agency File, Box 2, Central Intelligence Agency, 9/77-3/78. Secret.

<sup>2</sup> A memorandum of record of this meeting is in the National Security Council, Carter Intelligence Files, Political Intelligence and Analysis—Reporting, Nov–Dec 1978.

<sup>3</sup> See Document 67.

can then consider whether and how some of these restrictions might be lifted or adjusted.

I look forward to reviewing the papers on political intelligence collection in the thirty selected countries you promised at the dinner meeting. Rather than wait to present these all at once, I suggest you send them to me as they are done so that I can have my area specialists review them. The papers should comment on reporting from open and non-clandestine official sources in each country with which we deal as well as clandestine collection.

Finally, considering the enormous amount of money and manpower the Intelligence Community devotes to technical collection and exploitation, I believe we should make certain that we continue to devote adequate resources to human intelligence collection. I continue to think that a PRC(I) discussion of manpower and budget resources devoted to clandestine collection would be useful. I urge you to include this on the agenda for such a meeting.

*Exploitation of Information*

Good information does not ensure good analysis. The Intelligence Community must find ways to sharpen and improve its analyses. I know that as a result of our meetings during the budget cycle, you and Bob Bowie are initiating a program to achieve this objective. I would like to offer my own thoughts about this problem as I perceive it from here. Specifically,

—Political analyses should be focused more on problems of particular concern to the U.S. Government. We see too many papers on subjects peripheral to our interests or offering a broad overview of a region or country that is not directly linked to a particular problem, event or development of concern to the government. These often resemble political science seminar papers rather than highly sophisticated intelligence analyses. For example, a broad paper on Soviet global political and military intentions and objectives, which can do no more than amplify views available to the policymakers from sources outside the government, is of little use. More valuable would be specific papers based on unique intelligence information and specialized analysis concerning Soviet intentions and objectives in particular areas such as arms negotiations or individual countries or regions (i.e., the Horn of Africa). Moreover, the more specific the subject, the more likely that unique intelligence sources can make an important contribution.

—Political analysis needs to pay greater attention to the future. Predicting intentions and objectives are the essence of political analysis. Too often the papers we see explain or review events in the past and give only a bare nod to the future. I would like to see more papers that succinctly set forth the facts and the evidence on a subject or

problem and then conclude with a well informed speculative essay on the implications for the future. The consumer *wants* 100% accurate crystal ball gazing by Intelligence; but we recognize this is unrealistic and unattainable. So, we *expect* and hope for thought-provoking, reasonable views of the future based on what you know about the past and present in any given situation. Above all, analysts should not be timorous or bound by convention: we may disagree, but you will perform the most useful service in forcing our attention to the future and prompting us to think about potential problems.

—Any program to improve political analyses should address the hiring and training of analysts; incentives that promote creativity, expertise, and self-improvement; and means by which well thought out though controversial views of proven individual analysts can be circulated more easily. A committee is rarely the source of insight or wisdom.

—Finally, it is my impression that Chiefs of Station often have more understanding of the political dynamics of the countries that they serve than any other American officials. Their experience abroad gives them perspective that analysts at home lack. I believe they should be encouraged to submit more frequent field assessments and also that their comments should be sought on draft analyses.

In the past, intelligence consumers have frequently failed to articulate their needs and too often have offered only blanket criticism of intelligence products. I have tried above to be specific in expressing my concerns and needs. I hope to be helpful in the future in conveying requirements and complaints in such a way as to assist you in pinpointing and remedying problem areas. I also will encourage my staff likewise to establish close working relations with the senior officials of the Intelligence Community to foster better communications on the problems and opportunities of political intelligence analysis.

**Zbigniew Brzezinski**

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## **76. Editorial Note**

On January 24, 1978, President Jimmy Carter signed Executive Order 12036 on United States Intelligence Activities. On that day, Carter wrote in his diary, "I finally signed the executive order for the intelligence community and expressed my confidence in Stan Turner. It was a major step in the right direction. Now we have to con-

strain the congressional committees from passing an overly restrictive intelligence charter.” (Carter, *White House Diary*, page 165) The executive order was intended to serve as an interim measure in intelligence reorganization, with the end goal of legislated intelligence reform.

Carter had advocated for intelligence community reform from the beginning of his administration. He wrote in his diary: “One of my early goals was to reorganize completely the confused intelligence community. Responsibilities were fragmented among many agencies, each one jealously guarding its independence and prerogatives. The situation in Congress—which had multiple committees correlating with the agencies—was no better. I used my executive authority to put Stan [Turner] in ultimate control of all the agencies and to merge many of them, but congressional action was needed to consummate the process.” (Ibid., page 32)

For the text of the executive order, see *Public Papers: Carter, 1978*, Book I, pages 194–214. For the text of the President’s public statement issued the same day summarizing the most important features of the executive order, see *ibid.*, pages 214–216.

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**77. Action Memorandum From the Director of the Bureau of Intelligence and Research (Saunders) to Secretary of State Vance<sup>1</sup>**

Washington, February 9, 1978

SUBJECT

Two Major Problems in State-CIA Relations

Two serious recent developments raise basic issues about State-CIA relations here and in the field which we recommend form the centerpiece of your next meeting with Stan Turner on February 14.<sup>2</sup> You may even wish to find an opportunity to discuss this privately with the President beforehand.

In short, the two issues are these:

—For some months, statements have come from the White House that they want “more political intelligence.” This has been discussed in several PRC and SCC meetings, and on January 14 Zbig sent Stan

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<sup>1</sup> Source: National Archives, RG 59, Records of the Secretary of State, 1977–1980, Lot 84D241, Executive Order on Intelligence, 1978. Secret. Sent through Read. Cleared by Marks. A copy was sent to Habib.

<sup>2</sup> Minutes of the meeting were not found.

a memo<sup>3</sup> which has the effect of asking for an increase in clandestine collection and intimating that CIA rather than the Foreign Service is the most likely source of better political intelligence. This has already given rise to increased CIA activism abroad which several of our ambassadors have reported on.

—We have now brought to light three CIA messages, previously kept from us, interpreting the joint message which you and Stan sent on relations between ambassadors and station chiefs.<sup>4</sup> While we will not know the full implications of what information CIA instructed the station chiefs to withhold from the ambassadors until we can have detailed conversations with CIA, the spirit of the messages was clearly at odds with the spirit of the joint instruction. This raises fundamental questions about the Agency's good faith in their relations with us.

Both of these developments raise fundamental issues about the authority of the Secretary of State and of the ambassadors in assuring that intelligence activities are consistent with foreign policy.

We have asked to meet with you to discuss these problems. Each is laid out in more detail below.

#### *The Thrust For More Political Intelligence*

A number of discussions on this subject are brought together in the Brzezinski memo at *Tab 1*.<sup>5</sup> (This is a bootleg copy of the memo, so we need to protect our sources.) This memo on top of previous comments by the President to Stan give him every reason to feel that he has a strong mandate for increasing clandestine collection against other governments even at the cost of reducing collection efforts against the "hard target countries." The memo says that the problem of political intelligence has three elements:

—a lack of priority attention to opportunities for overt collection which Zbig says he intends to discuss with you;

—insufficient collection by clandestine means of basic political and economic information; and

—inadequate exploitation of information already in hand.

In discussing the need for increased clandestine collection on the thoughts and plans of key leaders in important advanced and secondary countries, the belief is expressed that more often than not clandestine collection is likely to be the better source of the information. Zbig goes on to state his impression that "chiefs of station often have more understanding of the political dynamics of the countries that they serve

<sup>3</sup> See Document 75.

<sup>4</sup> See Document 65.

<sup>5</sup> Not found attached. Printed as Document 75.

than any other American officials” and urges that they be encouraged to submit more frequent field assessments.

While no one disagrees with the desire for better political intelligence and analysis, the approach of pressing for increased clandestine collection apart from careful policy control raises serious potential problems. A new burst of CIA activism has already begun as a result at the same time that CIA has attempted to circumscribe the increased authority to ambassadors to review clandestine collection. We have had complaints from several ambassadors about CIA activities which were not appropriately cleared with them.

Apart from the question of maintaining control over these clandestine operations and assessing the risks against the gains, this thrust raises a further danger—that of lulling ourselves into the false assurance that we can totally rely on the answers produced by increased clandestine collection. The effort to collect “the ultimate five percent” of the information necessary to be sure of the intentions and reactions of foreign leaders is inherently doomed to fail. We simply cannot expect to get all the information we would like to have on which to base our decisions. Even where we do have apparently ample political intelligence, we still risk being misled when our sources—as is almost inevitable—are not fully aware of all the factors involved in the thinking and intentions of the foreign decision-makers. Thus, purloined plans are useful grist for an analyst’s mill but in themselves (especially in raw or quasi-documentary form) they can lead us astray.

Therefore, we feel that it is essential for you to assert control over this exercise. One way of doing this is to keep the ambassadors in a central position to review all collection efforts, and this is discussed below. In addition, we believe there is need for definition of what is required to improve our political intelligence and for a sophisticated review of a proper division of labor between overt and clandestine collection. Two approaches are possible:

—Most immediate would be an instruction to the field on the subject of improving reporting and on the proper uses of clandestine collection. This could be cleared with CIA and the White House, but the process could reassert your and the ambassadors’ central roles.

—A longer term approach would be to ask a high level group to review all source reporting from a number of important posts and to help us understand the limits and opportunities from overt and covert collection before we rush into an across-the-board increase in covert collection.

#### *Ambassador/Station Chief Relations*

There are six relevant formulations on ambassadors’ access to CIA material: You are familiar with PL 93–475 (Tab 2),<sup>6</sup> the President’s letter

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<sup>6</sup> Not found attached. P.L. 93–475 includes a section that makes Ambassadors responsible for oversight of all U.S. Government personnel at a post, including intelligence personnel. See Document 65.

(Tab 3),<sup>7</sup> the Joint State-CIA Instruction which you and Stan worked out on relations between ambassadors and CIA station chiefs (Tab 4).<sup>8</sup> You are aware of but probably have not seen a supplemental DCI message sent October 4 (Tab 5)<sup>9</sup> and two more CIA messages sent October 11 (Tabs 6 and 7).<sup>10</sup> A juxtaposition of the relevant language from these documents is at Tab 8.<sup>11</sup>

These various formulations, particularly the unilateral CIA instructions, raise several questions:

1. whether the Joint State-CIA Instruction is consistent with PL 93-475 and the President's letter;

2. whether the three CIA messages are consistent with the Joint Instruction;

3. whether CIA should unilaterally determine the classes of information a chief of station will show to the ambassador.

The President's letter (Tab 3), dated October 25, 1977, is on the public record. It says the Ambassador has "the authority to review message traffic to and from all personnel under your jurisdiction."

The Joint Instruction (Tab 4), approved by the President, was sent by State to the field on November 10, 1977, and was also sent separately by CIA to all its stations and bases. It provides that chiefs of station "are to review with the Chiefs of Mission all non-administrative communications to and from the Station, except for those messages or parts of messages which would reveal sources and methods." It further provides that the Chief of Mission can request any information withheld and that, if the Chief of Station believes he should not provide it, the matter should be resolved in Washington.

This seeming limitation on the sweeping language of the President's letter originally led us to suggest including in that letter a statement that special circumstances limiting the ambassador's access to certain communications were included in a separate instruction. It was decided, however, that this phrase would raise more questions than it answered. The judgment was also made that the ambassador's authority to request whatever additional information he felt he needed brought the instruction into conformity with the President's letter. Finally, the President cleared both the letter and the Joint Instruction.

The Joint Instruction also provides, in paragraph 6, that the President or the Secretary of State can *exempt* the CIA from any responsibility

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<sup>7</sup> Not found attached. See footnote 2, Document 65.

<sup>8</sup> Not found attached. Printed as Document 65.

<sup>9</sup> Not found attached. Printed as Document 62.

<sup>10</sup> Not found attached. The messages are summarized below.

<sup>11</sup> Not found attached.



to inform a chief of mission about CIA programs and activities in his country. This may be even more troublesome, since it raises the specter of Chile-Track II,<sup>12</sup> presumably what P.L. 93–475 was designed to foreclose. When the Joint Instruction was being drafted, we argued that the “or” should be “and”, but lost. The issue seems larger today in light of the subsequent CIA messages.

There are *three CIA messages* at issue:

Admiral Turner’s October 4 message (Tab 5) was checked in draft in the Department (four of our five suggested changes were included in the message as sent). While its tone was troublesome, we felt we could live with it.

Two CIA messages were sent to the field on October 11 (Tabs 6 and 7). They were not cleared with the Department, and station chiefs were instructed not to show them to ambassadors. We only learned of their existence after the Binder article appeared last Friday.<sup>13</sup> One (Tab 6) is a general comment. It states that the Joint Instruction “basically codifies procedures currently in existence.” It says that the legislative history showed that PL 93–475 does not remove “the flexibility that exists under presidential directives regarding ambassadorial responsibilities” and that the law has not nullified the DCI’s authority for protection of sources and methods. It also asserts that the ambassador’s authority under the Joint Instruction to request information on sources and methods “does not constitute authority for chiefs of station to provide such information.”

Finally, it states that the Joint Instruction “constitutes exemption to presidential letter to ambassadors.”

In sum, the message seems to interpret the Joint Instruction as an authorization to conduct business as usual.

The other October 11 message (Tab 7) gives more detailed instructions as to what will and what will not be shown to ambassadors, using cryptonym indicators (*[less than 1 line not declassified]* for material to be shown to ambassadors, *[less than 1 line not declassified]* for other material).

This instruction lists materials such as intelligence reports, assessments and sitreps as suitable for review with the ambassador, while data identifying sources, operational plans, administrative matters, and certain coded categories of material is not. A precise understanding of the significance of the message will depend on more detailed knowl-

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<sup>12</sup> A reference to the 1970 covert action plan in Chile that was conducted without Department of State knowledge.

<sup>13</sup> A reference to David Binder’s article, “State Dept. and C.I.A. Split on Envoy Role,” *New York Times*, February 3, 1978, p. A1.

edge as to just what would fall into these excluded categories, but they seem at least to be broader than what was intended by the distinction between administrative and non-administrative communications in the Joint Instruction.

CIA and NSC argue that the CIA's messages were non-controversial efforts by Agency staff to give their chiefs detailed guidance on handling material under the new instruction. This would have been unobjectionable in theory. What we find troubling are (a) the tone of the messages and instruction not to discuss them with the ambassadors, (b) the fact that there was no discussion of the last two with us, and (c) the scope of the messages excluded from review. Essentially what the CIA did was to send the positions it took in negotiations with us to the field as the interpretation of the instruction. At the very least, that was less than straightforward.

Now it seems to me we have two choices:

1. We could ask the Agency to rescind their unilateral messages and negotiate detailed guidance on what will and will not be shown to ambassadors to be sent out with our clearance and to be shown to ambassadors.

2. We could re-open the issue of ambassadors' access to all communications, say that this recent experience shows that limited access will not assure his being "fully and currently informed", and insist that the joint instruction be amended as follows: "The Chiefs of Station are to show the Chiefs of Mission all communications to and from the Station with only source identification and operational details excised." We could also propose that the Joint Instruction be amended to require notification to the Secretary of State whenever the CIA is exempted from the requirement to keep a Chief of Mission informed.

We believe that disclosure of the secret CIA messages almost requires us to recommend the second course to the President. We tried to accommodate CIA's concerns and they did not deal squarely with us. A law and a Presidential instruction are involved. Moreover, the discrepancy between the President's forthright public letter and the more restrictive position of the secret messages could be politically troublesome for the President if the issue is pursued.

We would prefer to see this handled quietly and hopefully with Stan's cooperation, but we see little likelihood we could take the first course and trust the Agency to play it straight.

#### *State-CIA Relations in Washington*

However the above choice falls, it seems to us that now is the time to launch our long-proposed effort to regularize meetings involving the State policy bureaus, the CIA Division Chiefs, and INR. What we envision are parallel memos from you and Stan to the Assistant

Secretaries and to the CIA Division Chiefs instructing them to meet on a regular basis and defining what CIA must tell the Assistant Secretaries and what it can properly withhold. There will probably be more resistance to the effort to codify what must be divulged in this exercise than there was in the discussion of the joint instruction on ambassador/station chief relations, but it seems to us that the effort is important.

*Recommendations*

1. That you find an opportunity to discuss privately with the President your concern over the impetus given to increased CIA collection without opportunity for full policy control of the exercise. Specifically that you:

—confirm that no request from the President (or Zbig) for better intelligence was intended to lead to CIA activity outside your control and the ambassadors’;

—seek his agreement to propose to Stan that you develop an instruction to ambassadors on the need to improve both overt and covert collection and on a division of labor between the two approaches;

—that, if you are satisfied with the President’s understanding and support, you raise the subject with Stan and promise to produce a draft message for discussion later in the week.

2. That, on the secret CIA messages, you make the following points to Stan:

—Revelation of the secret CIA messages re-opens the question of the ambassadors’ access to communications. You see little choice now but to propose a change in the joint instruction as described above.

—Before raising this with the President, you wanted to see what Stan’s own views were.

3. A separate memorandum on the proposed Special Presidential Intelligence Committee is attached at Tab 9.<sup>14</sup>

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<sup>14</sup> Not found attached.

**78. Letter From Director of Central Intelligence Turner to Secretary of State Vance<sup>1</sup>**

Washington, February 23, 1978

Dear Cy:

Out of a concern that the discussions between our staffs on the State-CIA "Treaty"<sup>2</sup> may not be progressing as dispassionately as I would hope, and because I am deeply concerned at the recent turn of events, I would like to lay out my views on this critical subject to you privately.

There is no relationship more important to the intelligence community than that with the Department of State; there is no one, after the President, whom I would rather accommodate than you. Yet, despite what I consider a substantial effort on my part to foster that relationship through agreeing to the "Treaty," selecting an Ambassador as my Deputy,<sup>3</sup> and hopefully cooperating in other ways, the State-CIA relationship seems imperiled.

Let me recount what has happened as seen through my prism. Once the "Treaty" was signed, the burden of change was on us. Because the changes called for were in a most delicate area, the secrecy of very sensitive and risky operations, I felt that amplifying instructions to CIA Chiefs of Station were necessary. The staff's draft of amplifying instructions to be issued in my name was not to my satisfaction so I drafted them personally. After clearing it with Hal Saunders, it was sent to the Chiefs of Station with instructions to show it to Ambassadors. I hope that you can take time to read that message (enclosed)<sup>4</sup> because I believe it leaves no question that I expect the Chiefs of Station to observe the spirit as well as the letter of the "Treaty." The message was purposely forceful to ensure compliance with this change of long-standing policy.

My staff then recommended that the Chiefs of Station be provided with specific procedural guidance. It was not their intent that this message undercut the "Treaty." We were, however, adjusting existing procedures and attempting to delineate where changes were and were

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<sup>1</sup> Source: National Archives, RG 59, Records of the Secretary of State, 1977–1980, Lot 84D241, Executive Order on Intelligence, 1978. Secret.

<sup>2</sup> See Documents 65 and 77.

<sup>3</sup> Frank Carlucci had served as Ambassador to Portugal before becoming Deputy Director of Central Intelligence.

<sup>4</sup> Not found attached. Printed as Document 62.

not required. Perhaps because the Agency was fundamentally in agreement with the existing procedures, a defensive tone crept in. I reworked their draft substantially but its tone was not changed adequately. I assume the responsibility for this.

Finally, the staff originated the famous “View/Mum” message, designed to establish a system permitting Washington to know at a glance what had been called to the Ambassador’s attention. I do not recall whether or not I saw this in advance, but I did know of its existence soon thereafter. Although it has now been cancelled, I supported, and still do support, this mechanism enabling Washington to monitor that which has been shown to an Ambassador, for if a Station Chief neglects to call a given message to the Ambassador’s attention, we can ask him to do so.

In sum, I permitted the poorly worded message to go out. While I do not believe that it has led our people to undercut the agreement or my specific admonishment as to its spirit, an unfortunate air of suspicion has been fostered, particularly among those who read only the staff messages and not the one which bore my personal identification.

The question is “Where do we go from here?” Really there are two issues: What will best serve the Government’s needs? What can be done to allay the suspicion that has been aroused?

On the first issue, the question is “To what depth is it crucial that an Ambassador know CIA activities?” The agreement is explicit: Ambassadors should know the scope of CIA activities. My supplementary instructions are also explicit: Ambassadors will not be surprised. Yet why not tell them everything? First, because the scope, or nature, of a CIA activity will usually be adequate for an Ambassador to judge that activity’s equities. Operational mechanics or the identity of agents are details which usually will not change those equities, but will place on the Ambassador the added responsibility of their concealment. Concealment of information is an art in itself. Without specialized knowledge of hostile collection techniques, defense against inadvertent disclosure of meaningful information is greatly reduced. In view of the fact that lives are sometimes at stake, Ambassadors would assume an unnecessary burden of responsibility by knowing every detail. In some instances the risks which foreign agents are asked to take for us are so great that my case officers would demur if someone other than their Chiefs of Station, and perhaps one or two individuals at Headquarters, had access to the full details.

Second, public knowledge that the CIA was required to reveal the details of all its activities to Ambassadors would be a severe if not fatal blow to our ability to recruit foreign nationals willing to commit

treason against their own government for the United States. We are already in a crisis of confidence around the world because of the numerous leaks of CIA clandestine relationships. A major issue with the Congress this year will be the degree of detail we will be required to provide to them on clandestine collection operations. There was a last-minute crisis over Executive Order 12036 in averting wording that would require exposure of every sensitive clandestine operation to the full SCC. Whether it is two reliable committees of Congress, our trusted Ambassadorial corps or the high-level SCC, further sharing of critically sensitive, operational secrets and the inevitable publicizing of that policy would, in my view, weaken our clandestine activities for a very long time. Even dampening 30 years of mistrust and suspicion by a relatively few Ambassadors is not worth the price.

The instances in which an Ambassador would find it necessary or worthwhile to read more messages concerning intelligence activities than are now being offered to him would be few. I intend to ensure that such will be the case by continuing to insist that our Station Chiefs live by the spirit of our agreement. I see no way that we can ever share everything we do; such is the necessary consequence of intelligence work. As long as one message is withheld, some suspicion will be aroused. We need to build toward a mutual confidence that the terms of our agreement, which I believe adequately protect Ambassadors and on-going intelligence activities, are fulfilled.

How can that best be achieved? If we amend the agreement we will pay the consequences of creating the *perception* and perhaps the fact of much greater risk to our operations, while not satisfying the Ambassador who is suspicious because he still will not see everything. Trust is justified and can be built over time.

To renegotiate an agreement less than four months after it is put into operation would in effect suggest we deliberately tried to undermine it, and this is not the case. I suggest the correction be appropriate to the problem, which arose from a distorted interpretation of well intended but egregiously worded instructions. While we can always clarify the agreement, what we decided upon after extended negotiations is basically sound. I intend to put my full weight behind the agreement and propose a joint message to this effect.

In this way we can refute the distortions and build a solid relationship based upon an atmosphere of mutual trust. In doing so, my Chiefs of Station will be again assured that there was never an intent to undermine a word of our agreement or my supplementary instructions, and your Ambassadors will be assured that they have firm rights

which we both support. A draft joint statement to our field organizations is enclosed for your consideration.<sup>5</sup>

Yours,

Stansfield Turner<sup>6</sup>

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<sup>5</sup> Attached but not printed. For the text of the joint statement sent to all diplomatic posts, see Document 81.

<sup>6</sup> Turner signed “Stan” above this typed signature

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## 79. Presidential Directive/NSC-31<sup>1</sup>

Washington, February 24, 1978

TO

The Vice President  
The Secretary of State  
The Secretary of Defense  
The Attorney General  
The Director of Central Intelligence

SUBJECT

Technical Surveillance for Foreign Intelligence Purposes (S)

The Attorney General has advised me that the President has the constitutional power to approve warrantless use of locational “beepers,” and concealed car cameras (as described in his memorandum of February 2, 1978)<sup>2</sup> which are used within the United States or directed against U.S. persons abroad if the person under surveillance is an agent of a foreign power. He has also advised me that those constitutional powers authorize approval of the use of minimal trespasses and seizures of personal property necessary to the installation, use and removal of the devices.

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 1, PD-NSC 1-32 [2]. Secret.

<sup>2</sup> In a March 1 memorandum to Mondale, Vance, Brown, Bell, and Turner, Christine Dodson, NSC Staff Secretary, noted that the Attorney General’s memorandum was actually dated February 9, not February 3. The memorandum was not found.

I am satisfied that circumstances may arise which would be sufficiently compelling to justify use of these techniques for foreign intelligence and counterintelligence purposes, including international terrorism. Therefore, pending the enactment of legislation in this area, I delegate the power to the Attorney General and his successors in office, to approve, without prior judicial warrant, use of locational “beepers” and concealed car cameras, pursuant to the following standards and procedures:

1. Warrantless use of these techniques in circumstances where a warrant would be required in a criminal case will, except in emergency situations, only be authorized upon the personal approval of the Attorney General (or Acting Attorney General), and at the request of the head of the Department, Agency or Bureau desiring to use the technique.

2. Approval will not be granted unless the Attorney General (or Acting Attorney General) has satisfied himself that:

- a. the requested surveillance is necessary to obtain significant foreign intelligence or counterintelligence information;

- b. there is probable cause to believe the person who is the target of the surveillance is an agent of a foreign power;

- c. the minimum physical intrusion necessary to obtain the information sought will be used; and

- d. the surveillance does not involve the breaking or non-consensual entering of any real property.

3. Where necessary, the request and authorization may be oral, but shall be followed by written confirmation as soon as possible.

4. No surveillance shall continue for over 90 days without the written authorization of the Attorney General (or Acting Attorney General).

5. In addition, I authorize the Attorney General to adopt procedures governing the surveillances authorized herein to ensure their legality and propriety, which procedures shall provide for authorization in emergency situations and for the minimization of the acquisition, retention, and dissemination of information concerning United States persons which is not necessary for legitimate Government purposes.<sup>3</sup>

Jimmy Carter

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<sup>3</sup> Carter handwrote a sixth point: “Notify me when such surveillance is authorized.”



80. **Memorandum From Paul Henze of the National Security Council Staff to the President's Assistant for National Security Affairs (Brzezinski)**<sup>1</sup>

Washington, March 23, 1978

SUBJECT

Covert Action and the "In Extremis" Doctrine (U)

No foreign policy concept has been more *persistent* in this Administration *and more mistaken* than the "in extremis" approach to covert action. I recall Cy Vance at one of the earliest SCC reviews of covert activity in February 1977 stating that he did not want anyone to think that he was *totally* against covert activity—but he felt we should engage in it *very seldom* and only in *limited fashion* and under the *most unusual circumstances when fundamental U.S. interests were in serious danger*. He went on to say that he felt we should maintain *some* covert capability but we should use it *very seldom*. This Vance view was readily accepted in State; we hear it all the time. It fits comfortably into a broader State approach to foreign policy—the notion that whether *action* is overt or covert, it should always be minimal, (if it cannot be avoided at all) taken only after long deliberation and delay and never be very comprehensive or sustained. *Suaviter in modo; suaviter in re! Pas trop de zèle!*<sup>2</sup> Unfortunately the Vance view of covert action has also been echoed over and over again by other Administration spokesmen and there is still a sizable—though apparently contracting—body of opinion in Congress which shares it. (C)

Not only is this view mistaken, it is *dangerous*. If one were to apply the same principle to the practice of medicine it would go something like this: do not treat the patient until he is near death; then spare no effort to demonstrate that you have tried to save him! Covert action becomes a form of extreme unction—it may save the soul but the body perishes; but at least the next of kin feel virtuous . . . (U)

*A great deal was learned from a generation of covert action experience.* These were some of the lessons:

- The sooner you begin to work on a potential problem the better are your chances of success.

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 103, SCC151 Intelligence Charters 3/27/79. Confidential; Sensitive; Outside the system. Sent for action.

<sup>2</sup> Latin for "Gently in manner; gently in deed." French for "Not too much zeal!"

- Careful preparation reduces costs and risks.
- Effective covert action must be based on solid knowledge—both of the situation you are working on and the people you use to work on it; i.e. you need intelligence.

In other words, an ounce of prevention may be worth many pounds of cure. There are other lessons too:

- Covert action need not be taken by Americans—it may be more effective if we use other nationalities as action instrumentalities.
- Various forms of institution building are often especially effective as covert action techniques.
- There are different degrees of covertness in covert action—sometimes it is only the impetus that needs to be kept secret; sometimes the funds; sometimes everything but the final result; occasionally even the final result. (C)

If you wait until the last minute to take covert action (or any kind of action for that matter) you are much less likely to do it well—you are also likely to spend (i.e. waste) much more in money and manpower than you otherwise might do and you greatly increase the risk of (a) *exposure* and (b) *failure* because of haste and lack of preparation. (U)

The never-large and (compared to other U.S. Government programs) never costly CIA covert action structure that was built up in the 1950's and continued through the 1960's, but which has since been largely disbanded, was always far from perfect but a great deal was learned from practice and a wide variety of *flexible* capabilities was developed. Covert support of organizations ranging from labor unions, professional associations and student groups [2 lines not declassified] and many kinds of training and research organizations provided a capability for sending experts in to any area or situation to diagnose problems, size up action opportunities and assess people with whom we could work. Many of the most effective people used for these tasks were *not Americans* [less than 1 line not declassified] (C)

Exposés, self-righteous clamor, congressional action and various kinds of wilful self-emasculation have deprived us of almost all these capabilities. About all that is left is a worldwide press-placement network, a few consultants and an over-age platoon or so of PM types. Calls for “covert action” in recent years have often resulted in not much more happening than insertion of an article in a [less than 1 line not declassified] newspaper, e.g., as a means of “countering” Communist penetration of the Horn of Africa. This may foster the comforting illusion that we are doing something about a situation we don't like but real impact on events has been next to nil. And to require a Presi-

dential Finding to do even this kind of thing reduces the concept to banality.<sup>3</sup> (C)

Another part of the current covert action problem is the persistent *illusion*—still very strong in State—that there are hundreds if not thousands of officers in CIA thirsting to undertake covert programs in every corner of the world: to overthrow governments, commit assassinations, manipulate politicians, foment riots and embarrass and harass Communists and other undesirable elements. This assumption is utterly false. *CIA has very few covert action personnel left.* A large portion of its most experienced officers have been fired or retired and those who remain have little stomach for taking risks. It would be hard to find a CIA operations officer who has not personally experienced the embarrassment which exposures and revelations have caused for field agents (including at times their imprisonment or death) and the reluctance of foreign intelligence services to cooperate fully with us when they fear their collaboration will be exposed and cause them embarrassment, or worse, in their own country. Concepts of responsibility and honor are as high among CIA officers as among any group in the U.S. government. For this very reason, they can no longer be persuaded to display enthusiasm and ingenuity in devising covert action plans when they are not confident of their ability to execute them effectively. *Stan Turner gives the impression of greater covert capabilities than CIA actually possesses.* This may be in part because he is reluctant to admit the damage his personnel policies have done to the DDO; it may also be that he actually understands so little of the prerequisites for effective covert action that he does not realize how limited his Agency's covert capability has become. (C)

CIA can still muster some covert capability, but its resources are severely limited and we should not delude ourselves into thinking that it can undertake very much, or can sustain several programs over any period of time without substantial augmentation of resources and talent. (U)

In time, and with proper leadership, a genuinely effective covert action capability can be built up again in CIA. The current trend is still downward and a marked further decline will occur at the end of this calendar year when another wave of retirements occurs. (U)

There are three prerequisites for reestablishing a real covert action capability in the U.S. Government:

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<sup>3</sup> The Hughes-Ryan Amendment to the Foreign Assistance Act of 1974 (P.L. 93–559) amended the Foreign Assistance Act of 1961. It requires that a Presidential “finding” be submitted to the appropriate congressional committee in order to secure the appropriation of funds for covert actions. It also included provisions that required the President to report all covert actions to specified congressional committees within a specific period of time.

(1) abandonment of the “in extremis” doctrine and quiet reestablishment of the principle that covert action is a regular part of the spectrum of foreign policy actions for which the U.S. Government maintains permanent capabilities.

(2) Repeal/revision of present restrictive legislation and extensive reporting requirements which almost guarantee that covert action efforts, even those of modest and preliminary (i.e. preventive) scope, will become public knowledge.

(3) Restoration of CIA capabilities to plan and execute covert action programs on a continuing basis; provision for retention, recruitment and training of talented officers and creation of a working atmosphere which brings the best in creativity and performance out of them. (C)

From these prerequisites other actions follow naturally: ambassadors must be deprived of the veto power they now have over covert action planning and preparatory effort as well as the authority they now have to limit relevant intelligence collection; the identity of CIA officers must be protected by legal safeguards. (C)

Unless the above steps are taken not only will the remaining slender covert action capabilities of the USG continue to atrophy; covert action undertaken in response to urgently felt emergency needs will in all likelihood be ineffective and in some instances may prove to be politically embarrassing. (U)

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## 81. Telegram from the Department of State to All Diplomatic Posts<sup>1</sup>

Washington, April 8, 1978, 0213Z

90943. For Amb and Chief of Station from Secretary and DCI. Subject: Relations with CIA. Refs: (A) State 257648 (1977) (B) Director [*message indicator not declassified*] (1977).<sup>2</sup>

1. It has been six months since we issued the joint instructions contained in Reference A. It seems appropriate to review with you, in

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<sup>1</sup> Source: National Archives, RG 59, Records of the Secretary of State, 1977–1980, Lot 84D241, Executive Order on Intelligence, 1978. Secret; Roger Channel; Special Handling. Drafted by Read (M), Mason (M), and Carlucci (CIA); cleared by Jeffrey Smith (L/PM), McAfee (INR), and Turner (CIA); approved by Vance. The telegram bears a stamp that reads “CV.”

<sup>2</sup> See Documents 65 and 62, respectively.

general terms, issues that have arisen under that instruction and to issue some clarification.

2. Since the instruction was issued, we believe that State and CIA have worked more closely to develop the kind of information which our government needs in order to face the dangerous situations in the world today. You are to be commended for your efforts in this matter. However, some uncertainty remains. A story appeared in the press which led the Congress to make inquiries about how P.L. 93–475,<sup>3</sup> the President's letter,<sup>4</sup> and the joint instructions have been implemented. In particular, questions have arisen about the relationship of P.L. 93–475 to the DCI's responsibility to protect sources and methods as discussed in paragraph 4 of the joint instruction; and about the meaning of the term "administrative communications" in interpreting paragraph 7. Those paragraphs are clarified below.

3. As indicated in Ref B, the DCI recognizes the need for the Chief of Mission to be fully and currently informed and it is his policy that the Chief of Mission never be surprised. The DCI has sent a cable to all Stations reaffirming this and his intent to abide by the letter and spirit of the joint State/CIA instruction.

4. The following comments are furnished to amplify paragraph 4 of Ref A:

It is vital that such sources and methods be protected. Whenever the circle of persons with knowledge about a particular source or method is widened, the risk of compromise increases. Thus it is incumbent on Chiefs of Mission to be certain that there is a genuine need for them to have detailed information on sources and methods before they ask for it; and, once they know, to give that information adequate protection. The DCI is charged by statute, "under the direction of the NSC" with the responsibility "for protecting intelligence sources and methods from unauthorized disclosure". Such disclosure in order to keep a Chief of Mission fully and currently informed pursuant to PL 93–475 is authorized as prescribed in paragraphs 6 and 7 of the State/CIA instruction.

5. For the purposes of interpreting paragraph 7 of Ref A administrative communications are defined as communications which consist entirely of information relating to the routine administration and internal management of CIA, its officers, employees and Stations. Included are such matters as personnel matters (pay, allowances and leave, fitness reports, travel of employees and dependents subject to the provisions of paragraph 6 F., training, etc.), medical and other personal information on officers, employees and dependents, logistical support

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<sup>3</sup> See footnote 13, Document 77. The relevant section of P.L. 93–475 is quoted in Document 65.

<sup>4</sup> See footnote 2, Document 65.

for CIA Stations, CIA inspector general reports and related traffic, and physical security information. Administrative messages may also include certain information concerning a United States person, the dissemination of which is affected by E.O. 12036,<sup>5</sup> guidelines issued by the Attorney General to implement E.O. 12036, or the Privacy Act. An example of such information would be information about a United States person acquired overseas by electronic surveillance which is being referred to CIA Headquarters for a determination as to whether it must be “minimized” (i.e. destroyed) or whether it may be retained or disseminated. Any information contained in any administrative message which has implications for foreign policy, relations with the host country, or management of the Mission (as distinguished from internal management of the Station) may be reviewed by the Chief of Mission.

Vance

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<sup>5</sup> See Document 76.

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## 82. Telegram From the Department of State to All Diplomatic Posts<sup>1</sup>

Washington, April 8, 1978, 1929Z

91048. For Chief of Mission from the Secretary. Subject: Improving Reporting and Analysis.

1. The President wants to sharpen the responsiveness of foreign reporting, including intelligence gathering, to the needs of those who make and implement policy. Abroad he looks to you to do this as his personal representative in your country of accreditation.

2. As one step toward more responsive foreign reporting, the President has directed in Executive Order 12036 on Intelligence Activities that the NSC Policy Review Committee itself periodically review and set national intelligence information priorities. The members of that

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<sup>1</sup> Source: National Archives, RG 59, Records of the Secretary of State, 1977–1980, Lot 84D241, Executive Order on Intelligence, 1978. Secret; Roger Channel; Special Handling. Drafted by Saunders, Read, Mason, and Galloway; cleared by Theodore Heavner (INR), and McAfee; approved by Vance.

committee for this purpose include the Secretary of State, the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, the Director of Central Intelligence and the Assistant to the President for National Security Affairs. That committee has approved two lists: (A) a list of issues of current concern to the policy makers and (B) a list of subjects which require continuous attention.<sup>2</sup> The lists will be sent to you in a separate message.

3. As another step, the President has asked that Chiefs of Mission as his personal representatives actively exercise their overall responsibility for reviewing and improving reporting and analyses from their Missions. As I indicated in my message on reporting last June (77 State 131292),<sup>3</sup> the focus should be on quality, not quantity. I want to share with you the current thinking here on what is needed. Of course, in many cases these needs are already being met, but everyone can review efforts to see where an even better job can be done.

4. The need as it is presently felt here is for more precise information on and analyses of (A) the objectives and intentions of foreign leaders, particularly toward the US, and (B) the basic political and economic factors which affect their governments' ability to carry out their policies. More specifically, we are interested in foreign leaders' views of US intentions, strengths, weaknesses; and, conversely, their own ability to achieve their own objectives. In other words, we are interested in knowing as intimately as possible the basic thinking of foreign leaders and what will determine their actions. We need both your analysis and the evidence you are using in as concrete a form as possible.

5. The kinds of questions that are helpful to keep in mind include these:

—Thinking of host country officials, particularly their underlying motives and goals: "What do they really want; why; how do these fit in with US objectives; what will they settle for?"

—Likely future developments and the potential impact on US interests: "What comes next, how will it hit us?"

—How the US can influence developments, what we can and should do to meet anticipated developments: "How can we get a handle on the situation?"

—Host country response to future US moves and policies: "If we do this, what will they do?"

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<sup>2</sup> See Documents 61 and 67. The revised lists of national intelligence topics are attached to a memorandum from Brzezinski to Turner, February 23, in Carter Library, National Security Affairs, Staff Material, Office File, Box 32, INT Documents: #800s–900s: 2/78.

<sup>3</sup> See Document 45.

—Presenting all developments against a backdrop of US interests and policies: “How are we in the picture?”

6. We recognize that the key to pointing your reporting at the needs in Washington is to have an always current picture of exactly what those needs are. This can be done only through a continuing dialogue between the desks and bureaus here and your posts. I am asking the Director of INR, the Assistant Secretaries, and others with equivalent responsibilities here to give their attention to improving this dialogue and their feedback on your reporting. The Department will make every effort to reflect the foreign affairs informational and analytical needs throughout the government to you. A good rule of thumb is to try to put yourself in the place of the President and his advisors, keeping always in mind not only direct US interest but also the worldwide context in which your reporting must be read and acted upon.

7. It should be understood that none of the above is meant to curtail the timely reporting of the facts of important developments in your host country. We continue to need to know what is happening, as well as why it is happening and what it means for us.

8. Taking the goals and objectives for your country, the reporting priorities articulated by the Policy Review Committee, and the suggestions of this instruction into account, you should review the USG reporting program in your country with the appropriate members of your Country Team (including any plans of your Chief of Station to increase collection against host country targets) and ensure that your resulting decisions allocating reporting responsibilities among them with respect to your country and other countries (if elements of your Mission report on third countries) are clearly understood by the appropriate Country Team members and shared with the Department.

9. In most cases, the bulk of required information will be available overtly through the normal diplomatic activities of your Mission’s staff, which should be the primary basis for overall reporting from your country of accreditation. In those cases where desired information may exist but is not obtainable through normal diplomatic means, clandestine collection may be considered. In rendering judgment as specified in paragraphs 6 and 7 of State 257648<sup>4</sup> as to whether or not clandestine collection should be attempted in a given case, such factors, as the importance of the desired information, its probable availability, the feasibility of acquiring it, and the risks attendant upon its collection by clandestine means, particularly in terms of sensibilities of host government officials should be weighed by you and the Chief of Station.

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<sup>4</sup> See Document 65.



Your direction of the USG reporting effort in your country will be guided by PL 93–475, the President’s instructions to you in his October letter (State 256085)<sup>5</sup> and by State 257648.

Vance

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<sup>5</sup> See footnote 2, Document 65.

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**83. Memorandum From Samuel Hoskinson of the National Security Council Staff to the President’s Assistant for National Security Affairs (Brzezinski)<sup>1</sup>**

Washington, April 26, 1978

SUBJECT

Improving Political Intelligence

As you requested, Stan Turner has provided a status report on the measures being taken to improve political intelligence and analysis in response to your memorandum of January 14. (Tab A)<sup>2</sup> Paul, Rosie<sup>3</sup> and I have all reviewed it.

*BACKGROUND*

As background, you should be aware that your January 14 memorandum created quite a stir within CIA. It came, of course, at the nadir of the decline in morale brought on by the disruption of Turner’s internal reorganization, firings and insertion of inexperienced top management. To the working level in both the Clandestine Service and analytical corps it was an affirmation that someone “up there” was really taking their efforts seriously and was trying to help in a construc-

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 97, Intelligence (Improvement Issues), 1978–1980. Secret. Sent for information. In the margin, Dodson wrote, “ZB: I spoke to a group (31) of *mid-level* CIA analysts. The first question was about how seriously did you take your memo, how much follow up was there going to be. Very enthusiastic. Incidentally, most of them had copies; I was the only one who had not seen it! Christine.”

<sup>2</sup> The status report was not found attached. For Brzezinski’s memorandum, see Document 75.

<sup>3</sup> Paul Henze and Robert Rosenberg.

tive manner. In short, it had a therapeutic effect on the troops who know that your critique is right and, at least momentarily, shook up the entrenched bureaucrats who usually manage to stifle such thinking before it becomes a threat to their “proven” way of doing business.

The January 14 memo also somehow (mysteriously?) got to the State Department even though it had only been officially sent to the DCI.<sup>4</sup> Among the more suspicious types at State it was viewed as an attempt by you to push CIA into the guarded preserves of the Department for political reporting. This is one of those old hoary interagency conflicts that never seem to die and has always plagued attempts to improve political reporting in the past. The hard fact, of course, is that there is more than enough complementary reporting for the CIA Stations and Embassy Political Sections to do and the good Ambassadors know it. The others must be prodded!

There is also Congressional awareness of your critique and talk in the Select Committees of their following up on your initiative. This will not be unhelpful if we are to sustain the momentum we have induced.

#### *STATUS REPORT*

The status report addresses all of the major points in your critique, albeit a bit defensively. It is a model of good writing from a technical standpoint but, like so much of the Agency’s analytical products, it conveys no sense of enthusiasm.

It is clear to me that despite reorganizations and Bob Bowie, CIA’s analytical element is still infected with the “current intelligence” syndrome. While a lot of lip service is given to “breakthrough” analysis, “over-the-horizon assessments,” and “interdisciplinary estimating,” NFAC’s management still clings to the newspaper reporting approach of serving the policymaker. They hear you talking (and Kissinger, Schlesinger and others before you) but down deep refuse to make a full commitment to the new era of a more scholarly approach to foreign policymaking. Hence, the “new” improvement measures cited, while certainly in the right direction, in most instances amount to little more than tokenism and in fact have been talked about for many years.

If we are skeptical, it is only because we have seen the same senior management team say the same things before without anything really changing. I (Hoskinson) know them all personally and spent too many years in that deadening intellectual environment to believe that mere harassment from the White House will make a fundamental difference. Short of virtual elimination of the top echelon of NFAC management—

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<sup>4</sup> An unknown hand drew two lines next to this sentence in the left-hand margin. See Document 77.

much of which is superfluous—we can only hope for incremental and marginal improvement at best within the lifetime of this Administration.

#### CLANDESTINE COLLECTION

The response to your critique of clandestine collection is almost pathetic.

—To your call for more clandestine collection about the political intentions and dynamics of key countries comes yet another promise of “clandestine collection plans” for 30 key countries (but only two have been completed since October!!) and assignment of [*name not declassified*] (the completely inexperienced Turner crony and some say inept new Deputy for Collection Tasking) to review all forms of collection for each of the 30 countries.

—To your questioning of the meager returns from the “hard target” effort against the Soviets comes the answer “you may be hoping for more than is likely to be possible” and, in any event, “the full dividends . . . may not have paid off yet.” But, alas, the PRC(I) consumers union (which Turner has totally neglected except when you prod him into a meeting) and [*name not declassified*] implementation of the National Intelligence Tasking Center (which virtually everyone but Turner [*name not declassified*] are highly skeptical about) will help, as will “relocation” of some dwindling clandestine assets.

#### WHAT NEXT?

We should continue to keep up the pressure on this problem wherever and whenever there are suitable opportunities. Something important has been started—especially at the working levels—and we can help encourage this enthusiasm to bubble up to the senior management level.

Turner has provided us with an ideal opportunity by offering in his status report briefing sessions for you with his “clandestine service people” and “key analytic leaders” to discuss “what they feel they can do with regard to your concerns on political analysis.” *You should take him up on this as soon as possible.*

Some members of the NSC Staff have established patterns of frequent consultation with both analysis and DDO officers on collection and analysis relating to their area of interest. We should not only encourage continuation of this practice but selectively broaden it. On key issues we should more frequently levy direct requirements for both clandestine collection and analysis on the Agency. It would also be useful to request specific assessments from Chiefs of Station. *We believe you should bring these thoughts up at our weekly NSC Staff meeting.*

Another exchange of memoranda with Turner will not have much effect because he is not close enough to these problems himself to

appreciate what you are driving at and bristles at the very thought of your telling him how to run his ship. It would be useful for you to explain your concerns, however, to Frank Carlucci. The improvements which we want must be made at the upper working level—where there is most receptivity to what you are seeking. More dialogue, direct meetings and more frequent requests for specific information and analysis will establish habits of consultation and better understanding of what is needed. This approach will also enable us to avoid entanglement with the excessive layers of supervision and review—of which the [name not declassified] operation is the most striking example—which Turner has set up but which contributes virtually nothing to the production of better intelligence.

Finally, to help maintain momentum, and assure that pressure is kept on the process until substantive results are attained, *you should tell Turner that you would propose a PRC(I) meeting in the near future to have the consumers constructively comment on his Attachment I<sup>5</sup> "Improving the quality of analysis" from Bob Bowie.* Turner suggests this will be done in his memo. *Don't let the opportunity fade away.*<sup>6</sup>

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<sup>5</sup> Reference to an attachment to the status report.

<sup>6</sup> Aaron wrote below this, "I agree. DA." Inderfurth wrote underneath the final sentence, "Sam, ZB wants a memo based on this last paragraph to send to Turner. Full speed ahead. Rick."

## 84. Summary of Conclusions of a Special Coordination Committee Meeting<sup>1</sup>

Washington, May 15, 1978, 4:30–6:00 p.m.

### SUBJECT

Legislative Charters for Intelligence Community

### PARTICIPANTS

#### *State*

Ben Read, Under Secretary for

Admin

Herbert Hansell, Legal Adviser

#### *Defense*

Secretary Harold Brown

Deanne Siemer, General Counsel

#### *JCS*

General William Smith

#### *Justice*

Attorney General Griffin Bell

John Harmon, Assistant Attorney

General, Office of Legal Counsel

#### *NSA*

Vice Admiral Bobby Inman

#### *White House*

David Aaron (Acting Chairman)

#### *NSC*

Samuel Hoskinson

Robert Rosenberg

#### *CIA*

Admiral Stansfield Turner

Frank Carlucci, Deputy Director

Tony Lapham, General Counsel

#### *OMB*

Randy Jayne, Associate Director for

National Security and

International Affairs

#### *FBI*

Director William H. Webster

John Hotis, Inspector, FBI

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 11, PD 17 [5]. Secret. The meeting was held in the White House Situation Room. Carter initialed at the top of the page. In a May 12 memorandum to Brzezinski, Hoskinson wrote, “This is the first meeting of the SCC to consider the intelligence charter legislative problem. We started the wheels in motion for this review of S2525 some time ago, but it took the President’s recent meeting with Senators Bayh and Huddleston to really activate Stan Turner. As you will recall, the Senators hoped to hustle us into intensive talks designed to settle very quickly what they felt were only a few significant points of difference. The President, however, lectured them on the ‘voluminous and detailed’ nature of S2525, the ‘changing mood’ in the country, the need to ‘retain flexibility’ and about the ‘difficult political position’ they had put him in.” (Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 96, Subject Chron, Intelligence (Charter Legislation), 2/77–5/78) Carter met with Senators Huddleston and Bayh, Secretary Brown, and Turner on April 26 from 11:03 to 11:40 a.m. (Carter Library, Presidential Materials, President’s Daily Diary) S. 2525, “National Intelligence Reorganization and Reform Act,” was introduced in the Senate on February 9 and referred to the Senate Select Committee on Intelligence. Documentation on this proposed bill, which is substantial, is in the Carter Library, National Security Council, Institutional Files, 1977–1981, Boxes 94–104 & 121–122, files on Intelligence Charter; Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Boxes 96–97, files on Intelligence (Charter Legislation); and Carter Library, National Security Affairs, Staff Material, Office File, Boxes 135–136, files on Intelligence Charter.

*SUMMARY OF CONCLUSIONS*

The SCC met to begin its consideration of S2525 introduced by the Senate Select Committee on Intelligence (SSCI). Issue papers had been prepared by a special Senior Working Group and reviewed by the National Foreign Intelligence Board. The agenda included consideration of a statement of charter legislation principles, Title VI (NSA), Title V (FBI), Title IV (CIA) and Title III (Foreign Intelligence Surveillance).

A set of revised charter legislation principles were approved in substance (revised list attached). It was agreed that the principles should provide a broad framework for subsequent discussion with Congress. All dealings with Congress will be conducted within the context of these principles.

NSA's proposed charter (Title IV) was endorsed subject to the working out with the SSCI a number of secondary technical changes and modifications. State receded on a clarification it has proposed relating to 22 USC 2680a, involving the need for Ambassadorial cognizance of NSA field operations, and agreed to work out its possible problem at the staff level.

The FBI's proposed charter (Title V) was endorsed subject to the modifications set forth in the issue paper prepared by the Bureau. Director Webster said that the Title V provided a very positive statement of the FBI's foreign intelligence and counterintelligence role. He foresaw no basic changes in this area. Concern was expressed that the distinction between counterintelligence and law enforcement should not be drawn so rigidly as to preclude necessary flexibility in this area.

CIA's proposed charter (Title IV) was endorsed in principle. The following additional judgments were reached:

—The SCC should consider the need for additional legislation dealing with the overall problem of unauthorized disclosure of national security information. Justice should prepare through the Senior Working Group an issues paper for early SCC consideration.

—Any language that appears to reserve to the Congress not just oversight responsibility but also operational authority with respect to the intelligence functions should strongly be opposed. The Attorney General opined that such language would raise grave constitutional issues.

—It is politically unwise to include language in Title IV expressly authorizing other departments and agencies to assist CIA with cover arrangements. This is better handled by classified Presidential directives.

—Language that appears to condition intelligence collection authority on prior determinations that the information to be collected is not available from overt sources should be opposed as impractical.

—State’s proposal to require liaison functions to be conducted “in consultation with the Secretary of State” was reserved for consideration with Title I.

—State receded on a clarification it had proposed relating to 22 USC 2680a involving the need for Ambassadorial cognizance of CIA field operations, and agreed to work out its possible problem at the staff level.

The foreign intelligence surveillance issues posed in Title III were resolved as follows:

—Physical searches and mail openings should be reserved for SCC consideration when the other restrictions issues of Titles I and II are on the agenda. All restrictions topics should be considered as a whole.

—The Administration’s position on electronic surveillance for foreign intelligence purposes within the U.S. is adequately reflected in the current bill on this subject before Congress.<sup>2</sup> Nothing else remains to be done except to continue to work for the bill’s enactment.

—There was difference of opinion over how to proceed on the issue of electronic surveillance directed against U.S. persons abroad. The Attorney General felt strongly that nothing should move forward on the subject until the fate of domestic counterpart bill before Congress is settled.<sup>3</sup> He recalled that the President had some time ago agreed to this strategy.<sup>4</sup> Others could see some tactical political advantage in proceeding to resolve all the outstanding electronic surveillance issues now and discuss them with Congress, either together with or after discussion on Titles IV, V, VI. Since the issues paper on this subject needs further working level review, it was agreed to pursue this subject at the next SCC meeting on S2525.

The following procedural and administrative decisions were reached:

—After the President has reviewed the results of this meeting, senior staff level discussions should be opened with the Senate Select Committee on Intelligence per the President’s commitment. The DCI will act as the overall coordinator and strategist of these discussions for the Administration’s side, although it is anticipated that the General Counsels and technical experts will take the lead for their individual agency charters. Status reports will be provided to all SCC members on a timely basis.

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<sup>2</sup> A reference to S. 1566, passed by the Senate on April 20. Carter signed P.L. 95–511, Foreign Intelligence Surveillance Act of 1978, on October 25. It provided for executive authority for electronic surveillance when necessary for national security.

<sup>3</sup> A reference to S. 2525.

<sup>4</sup> See Document 60.

—The next order of SCC business on S2525 should be the Title I community organization sections. Issues papers should be prepared to allow for an SCC meeting within a month.

—The Senior Working Group should begin work as soon as possible on a new draft restrictions title.

—The SCC will be the principal interagency coordination body on S2525. OMB's Legislative Reference Service will provide to the SCC a list of specific paragraphs it proposes to circulate to agencies and departments who have an interest but are not represented at the SCC.

## **Attachment**

### **Paper Prepared by the National Security Council Staff<sup>5</sup>**

Washington, undated

#### *INTELLIGENCE CHARTER LEGISLATION PRINCIPLES*

1. The Executive Order should provide the basic foundation for the intelligence charter legislation. The treatment accorded substantive issues appearing in both Executive Order 12036 and S. 2525 should not be in conflict.

2. Clear, concise, and reasonable authorities, responsibilities and limitations should be utilized to provide a readily understandable and nonburdensome guide for intelligence officers and employees. Excessively detailed authorities or restrictions may cause unintended results or preclude necessary and appropriate intelligence activities.

3. The balance between executive branch responsibility to execute the laws and the responsibility of Congress to enact laws must be maintained.

4. General oversight and reporting requirements should ensure that Congress receives necessary information but does not obstruct the normal functioning of the Intelligence Community. While restrictions and oversight provisions are complementary, excess in either area could frustrate legitimate intelligence activities.

5. The implications of the organization of the Intelligence Community as set forth in S.2525, particularly the relationships between the various entities, must be considered carefully.

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<sup>5</sup> No classification marking.



6. The bill should not specifically require reporting of liaison relationships and necessary information in this regard should be obtainable under general reporting requirements.

7. The question of adequate statutory protection for intelligence sources and methods should be addressed and resolved in this legislative effort.

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**85. Memorandum From the Chairman of the Intelligence Oversight Board (Farmer) to the President's Deputy Assistant for National Security Affairs (Aaron)<sup>1</sup>**

Washington, May 15, 1978

SUBJECT

Guidelines on Reporting to Congress Under E.O. 12036

At our last meeting with the President,<sup>2</sup> he asked the IOB to draft guidelines implementing Section 3–4 of E.O. 12036, which would ensure his control of the reporting process, as outlined in his July 12, 1977 letter to former SSCI Chairman Inouye.<sup>3</sup>

Our discussion of this issue with the agencies reveals a fundamental difference of approach. The Board feels that the paramount principle is Presidential control of the Executive oversight process and of reporting to Congress, and that except for special circumstances this objective outweighs the interest of reporting to Congress as rapidly as possible. Based on the President's comments on the issue, we believe he needs and wants adequate opportunity to consider proposed remedies and the timing of informing Congress from the Presidential perspective, under consistent standards and free from institutional pressures at the agency level. (See attached excerpt from IOB briefing paper for the President.)<sup>4</sup> The opposing view, particularly in the case of the CIA, is that the speed with which an agency head reports to Congress is paramount, even if it might mean little or no opportunity for Presiden-

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, PD 17 [5]. Unclassified.

<sup>2</sup> A February 7 memorandum from Farmer to Carter in preparation for their February 9 meeting is *ibid.* Minutes of this meeting were not found.

<sup>3</sup> See Document 58.

<sup>4</sup> Attached but not printed.

tial review. This approach undercuts the concept of prior internal Executive Branch oversight for the President.

Draft guidelines, in the form of a memorandum from the President, were sent to the CIA and the Justice Department for comment. That draft is at Tab A.<sup>5</sup> It provides for each agency to continue to report activities which raise questions of legality or propriety to the IOB, or in pressing situations, directly to the President. In either case, the President would review determinations that an activity is illegal or improper, proposed corrective action and the manner and timing of reporting to the Congress, before Congress was informed. Very minor matters could be reported to the Congress immediately, and an agency head "at any time" could suspend a questionable activity pending formal determination.

The CIA General Counsel, Tony Lapham, responded with several reservations to the Board draft.<sup>6</sup> His primary reservation was that the first draft would result in a matter being reported to the Congress only if the IOB decided to refer it to the President "and then only in a manner and at a time specified by the President on a case by case basis." He said agency heads feel personally responsible to ensure that at some point improper or illegal activity is reported to Congress. He also suggested that this would be unacceptable to the congressional committees. In order to reassure agency heads and Congress, Lapham raised the possibility of a 30-day waiting period from the date a matter is reported to the IOB, during which notification of Congress would be deferred in order to permit review for the President and any required corrective action.

The entire Board subsequently discussed the issue at some length with Adm. Turner. He reconfirmed his view that the DCI must be free to go directly to the Congress as soon as he thinks it is appropriate. Adm. Turner said that both he and the congressional committees understand the Inouye letter, and the Executive Order, to call for prompt briefing on all questions of legality and propriety without necessarily waiting for prior Presidential review.

Moreover, it is now clear that the CIA is not following the standard set by E.O. 12036 in what they do report to Congress. Section 3-4, like the Inouye letter, authorizes reporting to Congress *when there has been a determination* that an activity is in fact illegal or improper. However, the CIA has been reporting matters if there is a question of legality or propriety, even before such a determination has been made.

On May 10, the IOB received a response from the Attorney General.<sup>7</sup> He sees no legal problem with requiring that Congress be

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<sup>5</sup> Attached but not printed.

<sup>6</sup> Not found.

<sup>7</sup> Not found.

informed only after the President determines “the manner and timing of reporting to the Congress.” However, he said three policy problems should be brought to the President’s attention: that the procedure would burden the President and retard reporting to Congress; that our first draft might be viewed by Congress as an attempt to thwart prompt and complete reporting; and that agency heads might wish to report major questions immediately especially if a news story is imminent. The Attorney General wrote that “In such instances, the prompt report to Congress is in the President’s best interests and there may be no time to clear this decision with the President.”

We also discussed the matter with Bob Lipshutz, including the possibilities of modifications reflecting the concern raised by CIA.

There are three separate issues for the President to decide:

1. Will agencies report matters which raise questions, or only those determined to have been abuses?
2. Should there be a definite time after which an agency may report to Congress even if the President has not yet decided whether he feels the activity is improper, what corrective action to take, or how best to inform Congress?
3. Should a provision be made for agency heads to inform Congress immediately, without adequate opportunity for prior Presidential review, if a major problem is about to become public or otherwise seems to require especially speedy notification of Congress?

Our revised draft, which addresses these issues, is at Tab B.<sup>8</sup> The new material is italicized. First, it makes clear that the agency would only report to Congress activities on which the agency has taken a position that an impropriety or illegality *has* occurred. If this is not what the President intended, the opening sentence of paragraph 4 should be modified accordingly.

Second, our revised draft provides for a waiting period and permits the agency heads thereafter to report the matter to Congress. While the 30-day time period suggested by the CIA General Counsel is adopted, Governor Scranton, Senator Gore and I all feel it is important to avoid an excessively rigid timetable. Flexibility should be preserved in case the nature of the matter requires more extensive review for the President to be able to know the full ramifications of the issue, to have approved a particular form of corrective action, or to complete additional consultation within the Government or with our allies which might be desirable prior to congressional investigation of the matter. Accordingly, this draft provides for the IOB to obtain an additional 30-day deferral, without requiring the President’s immediate staff to keep track of the running time or to request the deferral.

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<sup>8</sup> Attached but not printed.

Third, the revision also recognizes the possibility that an agency head may feel compelled to report some matters to Congress more rapidly than provided for in this timetable. In that case, the draft still requires the agency to flag its concern and then to discuss the urgency with the President or the IOB. The President should still retain control of the process. There conceivably could be instances when despite public disclosure of a controversy, he will want to defer testifying in detail to Congress until he has explored alternative solutions, consulted with allies, etc. Even if the committees are to be briefed almost immediately, it is particularly in such situations that he may want to inform the committee leadership himself.

We think this revised version, while modifying the scheme set forth by the President in his letter to Chairman Inouye, meets the main concerns raised by the Attorney General and the CIA. We request that following your consideration of these issues and any further discussions you may wish to have with the Justice Department and the DCI, an appropriate draft or alternative drafts be prepared for the President's review in the near future.

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## **86. Memorandum From the Chairman of the Intelligence Oversight Board (Farmer) to President Carter<sup>1</sup>**

Washington, May 25, 1978

### **SUBJECT**

Guidelines on Reporting Abuses to Congress Under E.O. 12036

### **1. SUMMARY**

At our last meeting, you asked the IOB to draft and coordinate with David Aaron guidelines implementing Section 3–4 of E.O. 12036, ensuring your control of the reporting process. You indicated that the guidelines should track your July 12, 1977, letter to former Senate Intelligence Committee Chairman Inouye,<sup>2</sup> and should preserve a cushion of time for you to review determinations and direct corrective

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 11, PD 17 [2]. Unclassified. Carter wrote at the top of the page, "To Lipshutz—I prefer Inouye letter, but am willing for Stan or AG to see me personally if necessary to expedite reporting to Congress. JC."

<sup>2</sup> Not found.

action, with the benefit of independent staff judgment and analysis of the facts. The “Inouye letter” and pertinent portions of our briefing paper from that meeting are at Tab A.<sup>3</sup>

Proposed guidelines were sent to the CIA and the Justice Department and David Aaron for comment.<sup>4</sup> Our discussion with the agencies reveals a fundamental difference of approach. The Board feels that the paramount principle is Presidential control of the Executive oversight process and of reporting to Congress, and that, except for extraordinary circumstances, this objective outweighs the benefit of reporting to Congress as rapidly as possible. You have indicated that you want adequate opportunity to consider proposed remedies and the timing of informing Congress from the Presidential perspective, under consistent standards and free from institutional pressures at the agency level.

However, CIA and, to a lesser extent, Justice have indicated that they consider speedy reporting to Congress paramount, even if as a result there might be little or no opportunity for meaningful Presidential review. We believe such an approach would preclude effective oversight at the White House level.

## 2. PROPOSED GUIDELINES

Guidelines tracking your letter to Senator Inouye are at *Tab B*.<sup>5</sup> They would be implemented by a memorandum from you to the DCI, the Attorney General and the Secretary of Defense.<sup>6</sup>

Each agency would continue to report activities which raise questions of legality or propriety to the IOB, or in pressing situations, directly to you. In either case, you would first review determinations that an activity is illegal or improper, the proposed corrective action and the manner and timing of reporting to the Congress. Thereafter, Congress would be informed. Minor matters could be reported to the Congress immediately, and an agency head at any time could suspend a questionable activity pending formal determination.

## 3. CIA POSITION

The Board discussed the reporting issue at some length with Adm. Turner. He reconfirmed his view that the DCI should be free to go directly to the Congress as soon as he thinks it is appropriate. Adm. Turner said that both he and the congressional committees understand your letter to Senator Inouye, and the Executive Order, as permitting

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<sup>3</sup> Not found attached.

<sup>4</sup> See Document 85.

<sup>5</sup> Not found attached.

<sup>6</sup> See Document 90.

agency heads to brief Congress on matters of legality and propriety without necessarily waiting for prior Presidential review.

Moreover, it is now clear that the CIA is not following the standard set by E.O. 12036 in what they do report to Congress. Section 3–4, like the Inouye letter, authorizes reporting to Congress when there has been a determination that an activity is in fact illegal or improper. However, the CIA has been reporting to Congress matters which they deem to raise a question of legality or propriety, even if the CIA has not yet concluded they are illegal or improper.

#### 4. *JUSTICE POSITION*

Attorney General Bell finds no legal problem with requiring that Congress be informed only after you determine the manner and timing of reporting to the Congress. However, he raises three policy concerns for your consideration: that the proposed guidelines would unduly burden you and retard reporting to Congress; that, in any event, it might be viewed by Congress as an attempt to thwart prompt, complete reporting; and that agency heads need to report major questions to Congress immediately, especially if a news story is imminent. The text of his comments is at Tab C.<sup>7</sup>

#### 5. *ISSUES*

a. Should agencies report to Congress any matter which raises questions of legality and propriety, or only matters determined within the Executive Branch to have been abuses?

b. Should there be a specific deadline after which an agency may report to Congress, even if you have not yet reviewed whether an activity is improper or determined what corrective action is necessary, and how best to inform Congress?

c. Should a provision be made for agency heads to inform Congress about a problem immediately, without opportunity for effective Presidential review, if the agency believes the circumstances require exceptionally speedy notification of Congress?

The reporting scheme set forth in your letter to Senator Inouye answered each of these questions in the negative, and the IOB's proposed guideline follows that scheme.

#### 6. *RECOMMENDATION*

a. The IOB recommends that you send the memorandum at Tab B to the Attorney General, the DCI and the Secretary of Defense. David

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<sup>7</sup> Not found attached.

Aaron has reviewed the issues raised by the agencies and our proposed guidelines, and concurs in this recommendation.

b. However, in light of the concern expressed by the Attorney General and the DCI about the possible negative reaction of some congressional committee members, the Board has drafted an alternative version of the guidelines. This alternative version of the guidelines is at Tab D.<sup>8</sup> The alternative imposes time limits for reporting to Congress unless you specifically direct a further deferral. Even if this approach is adopted, Governor Scranton, Senator Gore and I feel a rigid timetable would be unwise, in case you require more time to consult with allies to weigh the ramifications and to implement corrective action. The alternative provides for the IOB to obtain an additional 30-day deferral, without requiring your immediate staff to keep track of the running time or to request the deferral. If you have referred a matter to Dr. Brzezinski for further action, we would coordinate with the NSC to determine whether the additional 30-day deferral was necessary.

The alternative also contemplates emergencies when an agency head feels a matter must be reported to Congress more rapidly than provided for in this timetable. Nevertheless, he must flag his concern and then discuss the urgency with you or the IOB. There would be instances when despite public disclosure, you will want to defer testifying in detail to Congress. Even when committees are to be briefed immediately, you may want to inform the committee leadership yourself.

The IOB does not recommend this compromise. Although it addresses the concerns of the DCI and the Attorney General, it undercuts the Inouye letter and would substantially weaken your control over the reporting process. While there may be special emergencies handled on a case by case basis, if the guidelines specifically provide for immediate reporting to Congress, such an “exception” is likely to become “the rule.” Moreover, in our judgment, this compromise is unlikely to satisfy those members of Congress who might be critical of the guidelines recommended by the Board and the NSC.

#### 7. ACTION

- a. Send letters at Tab B which I have signed.
- b. Send letters at Tab D which I have signed.
- c. Revise as indicated.
- d. Other.

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<sup>8</sup> Not found attached.

## 87. Summary of Conclusions of a Special Coordination Committee Meeting<sup>1</sup>

Washington, June 27, 1978, 4:00–6:30 p.m.

### SUBJECT

Legislative Charters

### PARTICIPANTS:

#### *State*

Warren Christopher, Dep Sec  
Herbert Hansell (Legal Adviser)

#### *Defense*

Deanne Siemer (General Counsel)

#### *JCS*

Lt. Gen. William Smith

#### *Justice*

Attorney General Griffin Bell  
Ken Bass (Office of Legal Counsel)

#### *IOB*

Thomas Farmer (Chairman/IOB)  
Burt Wides (Counsel/IOB)

#### *White House*

David Aaron (Acting Chairman)  
Robert Lipshutz

#### *NSC*

Samuel Hoskinson  
Brig. Gen. Robert Rosenberg

#### *CIA*

Admiral Stansfield Turner  
Frank Carlucci, DDCI  
Anthony Lapham (General Counsel)

#### *OMB*

Bowman Cutter  
Arnold Donahue (Branch Chief for  
Intelligence)

### SUMMARY OF CONCLUSIONS

The SCC met to consider Title I of S. 2525.<sup>2</sup> The special Legislative Charters Working Group had completed an exhaustive review of Title I and prepared a detailed report to the SCC including definition of issues for review and decision.<sup>3</sup>

The provisions of Title I involving restrictions on intelligence activities were set aside for later SCC consideration (mid-August) in conjunction with a new Title II that will cover all restrictions topics.

The following conclusions were reached on the issues identified as requiring SCC decision:

<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 96, Subject Chron, Intelligence (Charter Legislation), 6–12/78. Secret. The meeting was held in the White House Situation Room. Aaron initialed next to his name in the list of participants.

<sup>2</sup> Title I of S. 2525 (see footnote 1, Document 84), National Intelligence, established an Office of the Director of National Intelligence under the direction of the National Security Council.

<sup>3</sup> Not found.



1. *Should the DNI be changed from a Level II to Level I?* Different views require Presidential decision.

2. *Should the Assistant Directors be confirmed by the Senate?* Different views require Presidential decision.

3. *Should the DNI be given any authority with respect to formulation of intelligence requirements?* Principles established in E.O. 12036 should be reflected in Title I language.

4. *Should the provision granting DNI authority to insure “usefulness” of intelligence information be retained without modification?* Agreement against.

5. *Should the bill contain a definition of intelligence-related activities and give the DNI a right to review such activities?* Agreement that all references to intelligence-related activities should be deleted.

6. *What should be the provisions concerning the DNI’s budget-making authority?* Agreement that DNI should have same powers as E.O. 12036 gives to the DCI. The additional “fencing” provision requires Presidential decision.

7. *Should the DNI retain the authority to levy analytic tasks that is granted in E.O. 12036?* Agreement that the E.O. 12036 language should be included in Title I.

8. *Should the DNI have authority to terminate security clearances of contractors of Intelligence Community entities other than the O/DNI and the CIA?* Different views require Presidential decision.

9. *Should objection be raised to references in the bill to needs of the Congress for intelligence information and analysis?* Agreement that such objection should be raised.

10. *Should the IOB become a statutory entity and, if so, how detailed should its charter be and what kinds of questions should it address?* Differing views require Presidential decision.

The Working Group’s opinions on the “information issues” were endorsed in principle with the following exceptions.

1. *Entities Comprising the “Intelligence Community.”* The question of specific definition and designation versus broader and more flexible language will be put to the President.

2. *DNI as head of CIA.* The provisions which allow the President to assign the DNI’s function as head of CIA to the DDNI or an ADNI should be retained.

3. *Congressional oversight and accountability.* The President should be provided with a short form and the Title I long form language options.

4. *Provisions concerning Comptroller General Audits and Reviews.* Current practices should be retained.

No action is to be taken with the Senate Select Committee on Intelligence relating to the SCC's deliberations, until after the President has reviewed the results and indicated his decisions.<sup>4</sup>

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<sup>4</sup> On July 6 Hoskinson wrote to Brzezinski advocating for a meeting about S. 2525 among Brzezinski, Turner, and Brown, with the hope of reducing the number of issues requiring Presidential decision. (Carter Library, National Security Council, Institutional Files, 1977–1981, Box 13, PD 17/3 (1 of 2)) On July 19 Brzezinski presented five issues to Carter on Title I that required his decision. These five issues were: DNI as head of the CIA, DNI level, ADNI level, confirmation of ADNIs by the Senate, and congressional reporting requirements. (Carter Library, National Security Council, Institutional Files, 1977–1981, Box 12, PD 17 [6])

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## 88. Memorandum From the Chairman of the Intelligence Oversight Board (Farmer) to President Carter<sup>1</sup>

Washington, August 17, 1978

### SUBJECT

Summary of your August 15 Meeting With the IOB

This memorandum responds to your request at our August 15 meeting<sup>2</sup> for a written summary of the principal categories of information and the degree of access to sensitive data which the Board considers essential in order to perform effectively the functions you have assigned to it.

### *Sensitive Collection Operations*

Board access in this area includes both substantive information on specific activities and the authorization to examine the process by which projects are initiated, evaluated and approved.

We do not require the identities of individual sources. However, we believe it is necessary for us to receive on a regular basis detailed briefings on individual operations, identified by country and functional category of target, e.g., a French Cabinet official, a senior German labor union leader, a junior officer of the Italian Communist Party, etc., so

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Subject File, Box 29, Intelligence Oversight Board: 1/78–12/80. Top Secret; Sensitive. Carter wrote at the top of the memorandum, "To Farmer. J. cc: Zbig, Griffin [Bell]."

<sup>2</sup> Minutes of this meeting were not found.

that the Board can have a concrete and sophisticated understanding of the kinds of operations that are being run and the considerations that were weighed in the review process.<sup>3</sup>

Not only is this important in order to provide the Board sufficient background familiarity against which to evaluate specific operations from the standpoint of legality or propriety, but also for the purpose of judging whether the intelligence agencies have received proper authorization for ongoing collection activities, and whether activities treated as “sensitive collection” are in fact “covert actions” requiring compliance with Hughes-Ryan.<sup>4</sup>

*Opinions of the Attorney General*

Section 3–304 of Executive Order 12036 provides for the Attorney General to “inform the IOB of legal opinions affecting the operations of the Intelligence Community:”.

By memorandum to you of May 12, 1978, a copy of which is attached,<sup>5</sup> we requested your concurrence for access to legal opinions issued to you and your Assistant for National Security Affairs, and outlined several examples of why such opinions are important to our work. On June 30, 1978, the Attorney General advised you by memorandum<sup>6</sup> that “My policy on disclosure of such opinions to the IOB is to encourage such disclosure” and that “as President, you can appropriately waive that privilege (of confidentiality) not only for yourself but for all Executive Branch officials.” At the same time, he said that “Given the differing views that may exist within the intelligence agencies, I suggest that decisions on providing opinions to the IOB be made on a case-by-case basis rather than by adopting a blanket waiver of confidentiality.”

During the past few days, the Attorney General has informed me that he has given further thought to the matter, and believes that for the Board to serve you adequately it needs all opinions from all agencies. Therefore, he has decided to grant a blanket release to the Board of all legal opinions issued to him or subordinate agencies of the Department of Justice such as the FBI, and hopes that this action would serve as an example for other intelligence agencies. We also understand from Deputy Secretary Christopher that the Department of State has no

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<sup>3</sup> Carter wrote in the margin next to this paragraph, “Too specific. Each quarter Zbig will go over report with Chairman of IOB.”

<sup>4</sup> See footnote 3, Document 80.

<sup>5</sup> Attached but not printed.

<sup>6</sup> The memorandum from the Attorney General to the President, June 30, is in the Carter Library, Staff Office Files, Counsel’s Office, Box 24, Intelligence Oversight Board: IOB Requests for Legal Opinions Rendered by the Department of Justice, 7–8/78.

objection to a blanket waiver of confidentiality for all Justice Department opinions on intelligence matters issued to the Department of State.

Furthermore, we want to suggest that as your confidential advisers and members of the White House Office it is appropriate for us to be aware of legal advice on intelligence matters which you or other members of your staff have received from the Attorney General. It would appear peculiar, in our view, to be forced to bargain on a case-by-case basis in an effort to learn of legal opinions from your Attorney General in the limited area in which we are serving as your staff.<sup>7</sup>

We request, therefore, that you grant to the IOB a general waiver of confidentiality for all legal opinions issued by the Department of Justice with respect to intelligence matters, including opinions to you and your National Security Adviser.

#### *Guidelines for Reporting Abuses to Congress*

You noted on a Board memorandum of May 25, 1978<sup>8</sup> a preference for deferring agency reports of intelligence abuses until you had been able to review the matter after benefit of IOB staffing. However, you also indicated a willingness to permit the Director of Central Intelligence or the Attorney General to come to you directly if they felt circumstances required immediate reporting to Congress.

Draft guidelines implementing either alternative were submitted by the Board as part of its memorandum. We understand that a final version has been submitted to you by your Counsel.<sup>9</sup>

#### *General Comments*

One concept of oversight would have the Board function essentially as a "pressure valve," to be activated only when necessary upon the surfacing of an intelligence abuse. Under this formulation, the Board would have a nominal need for sensitive data, and would have little or no requirement for access to ongoing operations on a continuing basis. Such a formulation does not square with our understanding of your desire for Executive oversight, although it may partially explain the resistance by the NSC and some intelligence agencies which the Board has met in acquiring data and in establishing its need to know. The Board's primary role, which you have forcefully emphasized in meetings with the members, is to forewarn you of possible abuses so that potential wrongdoing may be avoided. A secondary, albeit

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<sup>7</sup> Carter wrote in the margin adjacent to this paragraph, "AG will give you a summary of opinions to me. You can request individual legal opinions. If objection, you appeal to me."

<sup>8</sup> See Document 86.

<sup>9</sup> Not found.

important, role is to alert you to abuses which we believe exist, in sufficient time for you to take the initiative in implementing corrective measures.

We are mindful of your concern for safeguarding national security information and agree fully that access to such material should be determined on a strict basis of *need to know*. In our view, the Board's "need to know" details of sensitive collection activities, and to have direct access to legal opinions regarding intelligence activities, derives entirely from the fact that if our judgment on propriety and legality is to be useful to you, it must be not only independent but also well informed.

The Board, consisting of three part-time and a single full-time professional staff person, is simply not equipped to struggle with intelligence agencies or the NSC on a case-by-case basis to justify its need to know. Unless the agencies are required by you to be forthcoming with respect to furnishing the Board with the kinds of information described above, the Board cannot perform adequately the functions assigned to it in the Executive Order and which you have amplified in our meetings with you.

The Board is not in the operational chain of approval for intelligence operations or production, and is therefore sometimes viewed by those directly in the process as a "second guesser" of officials whose responsibility is to initiate or conduct intelligence operations. A certain level of reluctance to share information with the Board is to be expected since its recommendation to you may result in your decision to terminate or modify some approved activity. Since the Board's only function is to provide you with a judgment independent of the initiating agencies such as the NSC, or the operating agencies such as the CIA and the FBI, the potential value of the Board's advice to you should be the factor which determines the Board's right to access to classified information.<sup>10</sup>

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<sup>10</sup> Underneath the final paragraph, Carter wrote, "Any allegation of impropriety from any source should be investigated by you. Come directly to me for assistance. I do not favor you, the FBI, the CIA nor anyone else monitoring 'all legal opinions,' 'all intelligence sources,' etc. on fishing expeditions. J.C."

89. **Memorandum From the Deputy Under Secretary of State for Management (Read) to the Assistant Secretary of State for African Affairs (Moose), the Assistant Secretary of State for Inter-American Affairs (Vaky), the Assistant Secretary of State for East Asian and Pacific Affairs (Holbrooke), the Assistant Secretary of State for European Affairs (Vest), and the Assistant Secretary of State for Near Eastern and South Asian Affairs (Saunders)**<sup>1</sup>

Washington, September 11, 1978

SUBJECT

Post Reporting Plans

In his telegram of April 8, 1978 (State 91048 sent via Roger Channel to all Chiefs of Mission),<sup>2</sup> the Secretary emphasized the need for more responsive reporting and better analysis. He cited the President's request that chiefs of mission actively exercise their overall responsibilities for reviewing and improving reporting from their missions. The Secretary also stressed the need for an improved and continuing dialogue between the bureaus and country directorates and overseas posts. In this way, the field will have feedback on its reporting and will be informed of the informational and analytical needs of Washington agencies, but the essential voluntary characteristic of FS reporting will be preserved.

The problem of improving the quality of substantive reporting and the use of available resources was more recently discussed in the Policies Priorities Group (PPG) on July 31.<sup>3</sup> Clearly we must focus scarce reporting resources on priority targets and cope with the growing problems of volume of reporting.

What is needed now is a mechanism which will encourage the posts and country directorates to put the Secretary's directives into practice. Suggestions made at the PPG meeting and recent experience with several posts and country directorates have shown that the combination of a post reporting plan and periodic consultations with appro-

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<sup>1</sup> Source: National Archives, RG 59, Records of the Deputy Under Secretary of Management, 1978-1979, Chron September 11-12, 1978. Unclassified. Drafted by James Ruchti (M/MO/R) and Richard Long (INR/DDC); cleared by William Bowdler (INR), Theodore Eliot (S/IG), and Joan M. Clark (M/MO).

<sup>2</sup> Attached; printed as Document 82. Also attached is telegram 131292, June 7, 1977, printed as Document 45.

<sup>3</sup> Minutes of the meeting were not found.

priate foreign affairs agencies, conducted by the country director, is an effective method for achieving this purpose.

The post reporting plan allows the post to retain the initiative in proposing future analytic reports. Country directorate consultations with other interested agencies allows the end-users in Washington to react to the post plan, to make known their information needs, and to comment on the quality of current reporting and the proposals for future reporting.

The procedure confirms the leadership and management role of the country director already conferred on him by I FAM 253. He would:

- chair the interagency consultations;
- act as the focal point for a dialogue with the chief of mission on the reporting plan, current reporting, and future needs;
- review and screen the reporting needs of members of the foreign affairs community including the intelligence community.

This procedure has the additional advantage of providing the means for directorates to oversee the transmittal of reporting requirements and guidance from the Intelligence Community to overseas posts.

The attached draft message<sup>4</sup> outlines the principles underlying these procedures and requests all chiefs of mission to submit reporting plans as the initial step.

Please pass your comments on clearance on the draft message directly to DDC/OIL/CS—Dick Long, Room 8656 (Ext. 22482). He will prepare the final draft for my consideration on September 15.

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<sup>4</sup> Attached but not printed. Telegram 265767 to all diplomatic posts, October 20, requested posts to prepare a reporting plan for submission to country directors. (National Archives, RG 59, Central Foreign Policy File, D780430–0500)

**90. Letter From President Carter to Secretary of Defense Brown<sup>1</sup>**

Washington, September 19, 1978

To Secretary Brown

As I stated in my July 27, 1977, letter to Senator Inouye,<sup>2</sup> I consider intelligence abuses to be of such import that I intend to deal personally with such matters, including the obligation of the Executive Branch to inform the appropriate congressional committees. Therefore, I am writing, pursuant to Section 3–4 of Executive Order 12036, to indicate the appropriate procedures for reporting to congressional committees “. . . information relating to intelligence activities that are illegal or improper and corrective actions that are taken or planned.”

The Department of Defense should continue to report to the Intelligence Oversight Board activities which raise questions of legality or propriety. The IOB will review the matter and, if it raises a serious question, report it to me with its recommendations. If you feel that the gravity of a matter is such that it should be reported directly to me, the information also should be provided at the same time to the IOB so that it can begin its review promptly.

After considering the reports of the Department of Defense and the IOB and, on questions of legality, the judgment of the Attorney General, I will review any determinations that an activity is illegal or improper, the proposed corrective action, and the manner and timing of reporting to the Congress. You will then make the appropriate report on the matter to the congressional committees, except when I communicate the matter to them directly.

In the case of questions of legality or propriety which you believe are so minor that they clearly do not need to be brought to my attention, you should continue to inform congressional committees, as well as the IOB, in a timely manner. You may, of course, at any time suspend an activity which raises a serious question of legality or impropriety,

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<sup>1</sup> Source: Washington National Records Center, RG 330, OSD Files: FRC 330–82–0204B, 039, No Title. No classification marking. Identical letters were sent to Bell and Turner. (Ibid.) In a covering memorandum to Carter, September 20, Brzezinski wrote, “Stan Turner, Harold Brown and Griffin Bell are prepared to live with the guidance in these letters. However, their initial preference—which gave rise to this proposed guidance—was to report all possible abuses to you, the IOB and Congress simultaneously. This, of course, would have greatly limited your flexibility and would inevitably result in strong pressures from the Congressional oversight committees before you had a chance thoroughly to study the problem and decide upon appropriate remedial actions. The guidance in the letters assures that this will not be the case.” Carter wrote “OK. J” beneath Brzezinski’s note. (National Security Council, Carter Intelligence Files, Intelligence Oversight Board, 3 Jun 1977–25 Jan 1979)

<sup>2</sup> See Document 58.



until a final determination is made whether the activity should be modified or discontinued and what other corrective action is required.

If in your judgment special circumstances require reporting an illegal or improper activity to Congress within a time period shorter than those outlined here, you should so indicate at the time the matter is reported to the IOB or to me.

In any event, you should discuss this concern either with myself or the IOB before undertaking to report the matter to Congress ahead of this timetable.

Sincerely,

Jimmy Carter

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**91. Summary of Conclusions of a Special Coordination Committee Meeting<sup>1</sup>**

Washington, November 27, 1978, 3:30–4:30 p.m.

SUBJECT

Title II S2525

PARTICIPANTS

The Vice President	<i>White House</i>
A. Denis Clift	Zbigniew Brzezinski (Chairman)
Marilyn Haft	David Aaron
<i>State</i>	Robert Lipshutz
Warren Christopher, Deputy Sec	<i>NSC</i>
Lee Marks, Deputy Legal Counsel	Samuel M. Hoskinson
<i>Defense</i>	<i>CIA</i>
Stanley Resor, Under Secretary For	Admiral Stansfield Turner
Policy	Frank Carlucci, Deputy Director
Deanne C. Siemer, General Counsel	Anthony Lapham, General Counsel
<i>Justice</i>	<i>JCS</i>
Attorney General Griffin Bell	Lt. General William Smith
John Harmon, Asst Attorney General	<i>FBI</i>
Ken Bass, Attorney Advisor	Judge William Webster
	James E. Nolan, Special Asst to the
	Asst Director

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 99, SCC 119, Intelligence Charters, 11/27/78. Secret. The meeting took place in the White House Situation Room.

NSA

Admiral Bobby Inman, Director

Daniel Silver, General Counsel

OMB

Arnold Donahue, Chief Security

Branch National Security Division

*SUMMARY OF CONCLUSIONS*

The SCC met to begin its consideration of the issues raised by Title II of S2525. The Legislative Charters Working Group had prepared an alternative draft and a series of issue papers.<sup>2</sup>

The Vice President spoke first to the question of general approach. He felt that the Working Group had gone about the problem in the wrong way. Rather than presenting its recommendations, the Working Group should have presented more clearly defined options. The SCC and the President were being asked to decide too many things rather than just to address the really major issues. Finally, the Vice President opined that the Working Group draft did not face up to realities on the Hill where it would be greeted with an explosion. The SCC had a responsibility to advise the President on the political environment as well as on the substantive issues.

The Attorney General said he was of much the same mind as the Vice President. He also expressed his strong concern that the Attorney General's role was reduced by the Working Group draft.

Mr. Christopher said he also had much the same reaction. He felt an overall disappointment with the mood and approach of the Working Group draft. It failed to draw on experiences of recent years and the abuses that had occurred. It was virtually without standards in such critical areas as covert action. He opined that it might be regarded as a negotiating document by some but, in fact, did a disservice to the Administration.

Mr. Resor felt that there were some real limitations in the Working Group's draft but, on the whole, it was a workable job. In his opinion, the issue papers presented some real choices.

Admiral Turner said that nothing had frustrated him more than this project. He had tried hard to find a coherent concept for charter legislation but feared we would come up with a "mess of pottage." He felt that it was necessary to first go through all the details and then step back and look at whether it all makes sense *and* the environment on the Hill. The question of where charter legislation would fit in the hierarchy of other controls must also be faced.

Judge Webster felt that the Working Group's effort was constructive and an adequate basis for proceeding to decisions.

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<sup>2</sup> Title II of S. 2525 was entitled Intelligence Activities and Constitutional Rights. The alternative draft was not found. Hoskinson and Kimmitt forwarded the working group's paper to Brzezinski and Aaron under cover of a November 22 memorandum. (Carter Library, National Security Council, Institutional Files, 1977-1981, Box 99, SCC 119 Intelligence Charters, 11/27/78)

Mr. Lapham, as Chairman of the Working Group, explained that the Working Group draft did *not* represent a consensus view and was only a reference point. The basic work of the Working Group was to examine Title II of S2525, pull out the major issues and put down the alternatives. They had gone out of their way to present both pros and cons.

Dr. Brzezinski opined that an intermediary step was necessary before the SCC considered the issues and made its recommendations to the President. A small group of senior officials (Messrs Aaron, Carlucci, Resor, Lipshutz and a representative of the Attorney General) should meet to identify (a) the issues on which agreement already exists and (b) the few major issues that require SCC consideration and Presidential decision. With the exception of Admiral Turner, all agreed that this was a proper approach. The Admiral felt that the SCC principals should do this job themselves on the basis of the existing issues papers and Working Group draft.

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**92. Memorandum From Director of Central Intelligence Turner to the President's Assistant for National Security Affairs (Brzezinski)<sup>1</sup>**

Washington, January 17, 1979

SUBJECT

Intelligence Charter Legislation

Your memorandum of 6 December 1977<sup>2</sup> requested that I assume primary responsibility for the coordination of the Administration's efforts to develop an authoritative position, subject to review and approval by the Special Coordination Committee (SCC) and the President, concerning the multitude of issues presented by the six substantive titles of S.2525,<sup>3</sup> the first attempt at intelligence charter legislation introduced by the Senate Select Committee on Intelligence (SSCI). In

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 101, SCC 127 Intelligence Charters, 1/24/79. No classification marking.

<sup>2</sup> Not found.

<sup>3</sup> The seven titles of S. 2525 were: I, National Intelligence; II, Intelligence Activities and Constitutional Rights; III, Foreign Intelligence Surveillance; IV, Central Intelligence Agency; V, Federal Bureau of Investigation; VI, National Security Agency; VII, Miscellaneous Amendments and Effective Date.

response to that charge and in an effort to give direction and shape to this process, I requested on 7 April 1978 that the agencies and departments concerned join in the formation of a "senior charter legislation working group" to be chaired by my General Counsel.<sup>4</sup>

That group began its deliberations almost immediately and by 22 May 1978, the major issues and alternatives in Titles IV, V and VI (the entity charters for CIA, FBI, and NSA, respectively) had been identified, reviewed by the SCC<sup>5</sup> and approved by the President, and each entity began, and has continued, direct negotiations on its particular charter with the SSCI staff. In the interim between the SCC review of the entity charters and the President's approval of the SCC decisions in that regard, the working group began its review and assessment of Title I, dealing with the general organization and responsibilities of the intelligence community and senior officials with intelligence functions. The process of review and analysis by the working group, SCC consideration and resolution of issues, and Presidential approval and resolution of remaining issues, was completed on 3 October 1978,<sup>6</sup> and the Administration position on Title I was presented to the SSCI on 1 November 1978.<sup>7</sup>

Following the SCC deliberations concerning Title I, the working group began its review of the remaining Titles II and III. These titles, along with certain provisions of Title I which had been reserved for later treatment, had been foreseen as the most difficult and most important since they attempt to impose an elaborate framework of detailed restrictions and limitations on a multitude of varied intelligence activities. The working group, as you know, completed its review of Title II and presented a detailed issues and analysis paper to the SCC for its meeting on 27 November 1978.<sup>8</sup> At that meeting the SCC determined that a higher level group should be formed to review the working group product and attempt to resolve and narrow the outstanding issues which appeared to be presented in this regard by S.2525. To this end a "senior charter legislation task force" chaired by David Aaron,

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<sup>4</sup> Turner sent his April 7 memorandum, "S. 2525—Proposed Intelligence Charter Legislation—Organizational and Substantive Considerations," to Vance, Blumenthal, Brown, Bell, Schlesinger, Lance, and Brzezinski. (Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Subject Chron, Intelligence (Charter Legislation) 2/77–5/78)

<sup>5</sup> See Document 84.

<sup>6</sup> Brzezinski reported Carter's decisions on Title I in an October 3 memorandum to Mondale, Vance, Brown, Bell, Lance, Jones, and Turner. (Carter Library, National Security Council, Institutional Files, 1977–1981, Box 12, PD 17 [6])

<sup>7</sup> Not found.

<sup>8</sup> See Document 91.

and composed of representatives from CIA, Defense, State and Justice has been organized and has begun this review process.

It appears to me to be essential to the development of sound intelligence charter legislation that there be minimal confusion in the lines of responsibility and that the Administration's resources be marshaled most efficiently to achieve that purpose. Accordingly, and since it has served its purposes, I believe the "senior charter legislation working group" should be disbanded at this time. In this way there will be no question but that the members of that group and the agencies they represent are now responsible for supporting the NSC and the Aaron task force in this regard in whatever way may be deemed necessary and appropriate by that entity. At such time as it may be deemed advisable, the working group is subject to revival or reorganization. In addition, I will be available to perform a central, coordinating role once again should that appear to be necessary.

**Stansfield Turner<sup>9</sup>**

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<sup>9</sup> Turner signed "Stan Turner" above this typed signature.

**93. Memorandum From Samuel Hoskinson of the National Security Council Staff to the President's Assistant for National Security Affairs (Brzezinski) and the President's Deputy Assistant for National Security Affairs (Aaron)<sup>1</sup>**

Washington, January 17, 1979

SUBJECT

Intelligence Charters

Stan Turner proposes to disband the special intelligence charter legislation working group<sup>2</sup> he created to implement your directive that he assume primary responsibility for development of proposed Administration positions on S.2525 for SCC and Presidential review. In this way he feels there will be no question that the agencies and departments involved are now responsible for supporting the NSC and David's higher level review group created at the 27 November SCC meeting.<sup>3</sup> Turner promises, however, to "be available to perform a central, coordinating role once again should that appear to be necessary."

On the surface this initiative appears to reflect little more than the obsession of CIA's lawyers for bureaucratic tidiness. You should also be aware, however, that there is an emerging feeling in some quarters that the real end game on charters has become one of who gets pinned with the blame for failure. At a minimum, there are sure to be a few unhappy scenes ahead under any conditions and I sense a distinct feeling at CIA these days that they want to distance themselves as much as possible from this whole mess.

I suggest that, rather than immortalizing all this in memoranda, you simply inform Stan that in effect the responsibilities you assigned him on charters are in abeyance as long as the Aaron group (which includes Carlucci) is working the problem for the SCC. His only responsibility at this point is to assume CIA's full cooperation with the Aaron group's effort.<sup>4</sup>

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977-1981, Box 101, SCC127 Intelligence Charters, 1/24/79. No classification marking. Sent for action.

<sup>2</sup> See Document 92.

<sup>3</sup> See Document 91.

<sup>4</sup> S. 2525 never made it out of the Senate Select Committee on Intelligence to which it had been referred in February 1978.

**94. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>**

Washington, undated

## SUBJECT

Status Report on Political Intelligence

In response to your November note,<sup>2</sup> David Aaron, Dave Newsom and Frank Carlucci have been supervising a broad State-DCI-NSC effort to determine the factors contributing to unsatisfactory performance and to identify and implement practical remedies.

As a first step, political intelligence reporting [*1½ lines not declassified*] was reviewed in detail. This review established that in nearly all cases both collection and reporting were inadequate across the board on internal political dynamics. Specifically, insufficient attention has been given to strains associated with rapid modernization, population growth, urbanization and other such developments; strengths and weaknesses of the central leadership; nature and effectiveness of opposition forces; attitudes, social characteristics, cohesion and loyalty of the security forces *at all levels*; orientation and potential political influence of the mass media, labor groups, youth and student groups and religious elements; attitudes and influence of ethnic, racial or religious minorities; and Soviet activities, particularly with respect to infiltration of or influence on domestic political groups, subversion, and other intelligence activities.

Surveys of reporting from a number of other countries confirm that shortcomings in all of these areas are widespread.

The next step was to instruct all our diplomatic posts to reorder collection priorities to ensure consideration by collectors of the points noted above; to emphasize to all Ambassadors the important role of clandestine collection and the need to develop clandestine assets; and to instruct Ambassadors and Chiefs of Station to coordinate their collection and reporting better. A [*less than 1 line not declassified*] cable (at Tab A) conveying instructions on these points was sent on February 15. Additionally, selected diplomatic posts were directed to submit com-

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<sup>1</sup> Source: National Security Council, Carter Intelligence Files, Political Intelligence Meeting, 5 June 1979. Top Secret; Sensitive. Printed from an unsigned copy. In an April 23 covering note to Brzezinski, Aaron argued that this memorandum not be submitted to Carter until Carlucci could review the draft after returning to the office on May 4. Both Carlucci and Newsom had been promised drafts. Brzezinski agreed. (Ibid.)

<sup>2</sup> This note is scheduled for publication in *Foreign Relations, 1977–1980*, vol. X, Iran: Revolution, January 1977–November 1979.

prehensive reports analyzing the vulnerability of their host government to destabilizing social, political or economic forces, or events such as the loss of a leader who is the principal source of stability.

Additionally, the following actions have been taken in recent weeks to improve political reporting:

—[1 paragraph (14 lines) not declassified]

—*Constraints*: Over the years a number of constraints have been imposed by Washington or by Ambassadors on the clandestine collection of information abroad. These have included a lack of cooperation on overseas CIA personnel assignments [*less than 1 line not declassified*]; refusal to permit the opening of a station; restrictions on collection, especially in the Middle East; and cover problems. Dave Newsom and Frank Carlucci have met several times and succeeded in reaching agreement to remove or reduce many of the constraints. A few remain and are still under negotiation; on one, clandestine collection in [*less than 1 line not declassified*], we will be coming back to you for a decision.

—*Cover*: A serious operational problem for CIA for years has been obtaining and keeping plausible cover for its case officers abroad. [12 lines not declassified]

—*Improved State Department Reporting*: A serious problem has developed in recent years with the increasing diversion of language-qualified political officers in our embassies to take care of visiting official delegations, particularly from the Congress. Moreover, as embassies have been tasked to perform additional tasks (such as narcotics, security, science and technology, refugees, etc.), limited resources available have resulted in the use of political officers' slots to perform these duties. The result has been a decrease of 18% in the number of political slots abroad now compared to 1970. State is taking steps to minimize assignments for its political officers other than political reporting, and has developed a plan which, over a period of years, would restore a number of political officer slots abroad. State, with NSC support, will be working with OMB on this.

—*Language Training*: There has been a serious decrease over the years in the number of language-qualified CIA and State Department officers serving abroad. [1½ lines not declassified] To reverse this situation, State and CIA both have agreed to develop incentives programs to encourage their personnel to learn and maintain foreign languages. By reprogramming already budgeted funds, the Department of State in FY 1980 will make available about \$300,000 for such incentives and CIA is prepared to allocate over a million dollars to this purpose. These incentives programs mark a major step in the effort to reverse a very adverse trend.

—*State-CIA Cooperation*: To diminish State-CIA rivalry in overseas posts and improve relations, both agencies have augmented their train-



ing programs at all levels to improve understanding in the ranks of each other's role. Additionally, the cable Cy sent to all posts in February contained a very strongly worded section on embassy-CIA relations and the importance of better coordination between the two. Also, State and CIA separately this month sent cables to their posts abroad<sup>3</sup> encouraging greater exchanges of information and analysis by the CIA and State political reporters and greater efforts to improve relations between State and CIA personnel. No one has any illusions that this problem will be overcome in the immediate future, but an important start has been made.

All recognize that improved analysis must accompany improved collection. State and CIA independently in recent months have made major efforts to set forth a program of recruitment, training and incentives to improve analysis and reporting by their personnel abroad and here in Washington. A brief summary of their respective programs is at Tab B.<sup>4</sup>

You should be aware that progress in improving collection and reporting has been difficult because of long-standing disputes between the Department of State and CIA, including in particular deep seated hostility and resentment at State toward CIA activities abroad in general. Whether the subject is *[less than 1 line not declassified]* giving greater attention to developing clandestine assets, or administrative arrangements, there are many at State who seek to obstruct CIA efforts at every turn.

At the same time, CIA for years has failed to raise these problems to a policy level and appears simply to have acquiesced to measures which have significantly diminished the agency's political reporting capability. In light of this background, considerable credit is due David Aaron, David Newsom and Frank Carlucci for their role in this effort, particularly in Newsom's case because of the very difficult bureaucratic battles he has had to wage inside State to make even the limited progress outlined above. Without your prodding of last November,<sup>5</sup> State-CIA recognition of your continuing interest, and continued pressure by David Aaron, this entire effort would fold overnight. The improvement of political intelligence is a long-range undertaking. We will keep pressing this effort, and I will report our progress to you periodically.

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<sup>3</sup> Neither found.

<sup>4</sup> Not found attached.

<sup>5</sup> See Document 67.

## Tab A

**Telegram From the Department of State to Select Diplomatic Posts<sup>6</sup>**

Washington, February 15, 1979, 0122Z

38873. Subject: Political Reporting. References: (A) 78 State 90943; (B) 77 State 257648; (C) 78 State 265767.<sup>7</sup>

1. Last November the President, concerned about the quality of political reporting and analysis, asked Dr. Brzezinski, Admiral Turner and me to work closely together to strengthen political intelligence. At our request, David Aaron, Frank Carlucci and David Newsom have been examining the problem and have begun to develop recommendations for carrying out the President's instructions. I inform you of this so that you and your Mission will understand the importance which the highest levels in Washington attach to improving political reporting and so that you can better appreciate the special significance of the following guidance. (C)

2. Recent events abroad have raised questions here about our assumptions regarding internal political circumstances in countries of importance to us, particularly with respect to the prospects for their long-term stability. We are concerned, in particular, that Missions are not being sufficiently attentive in their reporting to:

—Institutional weaknesses of the political leadership and related inability to act effectively in a crisis;

—The extent to which processes of rapid change may be generating pressures which current regimes are incapable of handling;

—The possibility of a charismatic ethnic, religious or similar figure rapidly galvanizing diverse elements or classes of society into a unified potent political force;

—The sudden transformation of workers, under unusual economic circumstances, from disorganized, weak groups into an organized powerful force;

—The potential for a student movement antagonistic to the existing power structure to play, in combination with other forces, a major political role in bringing down the government;

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<sup>6</sup> Secret; Roger Channel. Drafted by Gates (INR); cleared by Bowdler, Newsom, Read, Wisner, Carlucci, Gates (NSC), and Tighe (DIA); approved by Vance. Sent to select posts [text not declassified].

<sup>7</sup> Telegram 90943 is printed as Document 81. Telegram 257648 is printed as Document 65. For telegram 265767, see footnote 4, Document 89.

—The rapid resurgence of long repressed radical leftist elements in key sectors of the economy and bureaucracy; and

—The possibility that the cohesion, attitudes and capabilities of the armed forces may prove critical to the political balance and processes of many countries. (S)

3. Dr. Brzezinski, Admiral Turner and I are concerned that Washington may lack accurate information as to the vulnerability of governments of importance to us to destabilizing social, political or economic forces or to the loss of a leader who is the principal source of stability. We are concerned that our assumptions about the internal situation in a number of countries may be flawed or complacent. (C)

4. Accordingly, your Mission should undertake a searching review of its assumptions about the vulnerability of your host government to destabilizing forces or events. The review should, at minimum, address the following points:

—Major political or social strains associated with rapid modernization, population growth, urbanization, or other broad developments;

—Strengths and weaknesses of the central leadership (including the political and personal strengths and weaknesses of key individuals);

—Nature and effectiveness of the opposition forces (in-country or expatriate);

—Attitudes, social characteristics, cohesion and loyalty of the security forces at all levels repeat all levels;

—Orientation and influence of mass media;

—Orientation and political capabilities/potential of large groups;

—Attitudes and potential influences in times of social and political stress of youth and student groups;

—Organization, orientation and influence of religious elements and individual religious leaders;

—Attitudes and influence of ethnic, racial or religious minorities;

—Interactions among the above forces;

—External influences on the above forces;

—Soviet activities, particularly with respect to infiltration of or influence on domestic political groups; subversion; and other intelligence activities. (S)

5. The perception in Washington is that a number of posts need to intensify Mission coverage on the above subjects—which I expect to see integrated into post reporting plans called for in 78 State 265767. Within that context and for the longer term, all elements of your Mission should regard the checklist in paragraph 4 as comprising high priority targets for collection and reporting. (C)

6. We in Washington appreciate that your Mission in many instances is already active in collecting information, reporting and

analyzing some or all of the topics or groups listed above. Nevertheless, because of the importance of high quality, accurate and forward-looking political intelligence and analysis to our national security, I believe you should take a fresh look at your reporting and frankly appraise the quality of the information you have with a particular view toward developing new contacts and sources—overt; clandestine; and, for your host country's armed forces, through the Attache and MAAG—at all levels of the groups and institutions cited in this cable. (S)

7. In this connection, I am aware that some posts may impose restrictions on overt repeat overt contacts and travel of Embassy officers for various reasons. These include avoidance of contacts with certain opposition political parties, trade unionists, military personnel, religious elements or other elements of society, as well as travel in certain locales. I would like you to review any such "restraints" you may have in effect, either as a result of your own decision or previous guidance from Washington with a view to ensuring the broadest possible coverage consistent with your best judgment. You should provide your conclusions on those restrictions you believe must continue to be enforced for Washington's review and seek guidance in the future whenever you believe such restrictions should be expanded. (S)

8. [15 lines not declassified] Emphasis on the importance and priority of that role by Chief of Mission should serve to make the implementation of that policy more effective. (S)

9. I want to address the question of Embassy [less than 1 line not declassified] relations more specifically. In certain instances it will be necessary for your Mission to use clandestine sources to meet the objectives described above. I am aware of the risks, but, recognizing what is at stake, I believe you should review carefully how your Mission can make greater use of clandestine collection with a view to increasing their reporting. You should take into account that some information of importance may not be susceptible to overt collection, that some clandestine means should be used to verify information overtly collected (and vice versa); and that development of clandestine sources is probably desirable and necessary in the event overt sources are denied to us through a change in political circumstances. Accordingly, you should re-examine the role of clandestine collection at your Mission to see what further contribution it might make to your overall effort. (S)

10. While the risk of clandestine collection must always be taken fully into account, risks may have to be taken to obtain specific information not overtly available or where long lead time is necessary to develop assets which will be of benefit in the long term. It is in our interest to do what we can to ensure that we are aware of growing threats to the stability and any elements of weakness in the societies of countries where we have major interests. For you to make judgments

about political risks versus value of the information sought requires that [less than 1 line not declassified] keep you fully and currently informed in considering such problems. In cases where the Chief of Mission feels the risk of proposed clandestine collection efforts could prove too high, or where there are substantial differences on the priority of targets, the COM and COS should refer the matter to Washington for resolution. (S)

11. The coordination of clandestine and overt collection requires that the Chief of Mission assure that there is neither unnecessary duplication nor a concentration of resources on one area at the expense of others. The means by which this can most appropriately be accomplished is for the COM—as part of the reporting plan process—to review with the Station Chief both the principal political and economic contacts of the Embassy and the areas of focus of [less than 1 line not declassified] in order to identify individuals or areas where there appears to be a conflict or unnecessary overlapping of effort. In this manner, reporting responsibilities can be clearly and efficiently allocated. (C)

12. Clearly you will want to share this with [2 lines not declassified] Admiral Turner, Lt. General Tighe (Director, DIA) and Lt. General Graves (Director, DSAA) will be tasking their respective elements separately to provide full cooperation. You will also wish to bring to the attention of the other members of your Country Team the high priority we attach to improved reporting. (C)

13. The collection of information, however complete (and it can never be 100 percent) cannot produce the final product alone. Improvement of our intelligence and political assessments requires the most intensive exercise of intellectual capacity and judgment. In Washington and the field, I ask all concerned to set the highest standards. (C)

**Christopher**

95. **Memorandum From the General Counsel of the Central Intelligence Agency (Lapham) to Director of Central Intelligence Turner<sup>1</sup>**

OGC 79-03970

Washington, April 30, 1979

SUBJECT

[2 lines not declassified]

1. *Action requested.* Your signature on the attached memorandum to Dr. Brzezinski (Attachment A)<sup>2</sup> apprising him of the [3 lines not declassified]. This memorandum is also intended to acquaint you with these details along with our recent communications with IOB concerning this subject.

2. *Background.* This matter was first brought to my attention in February of this year via a memorandum from the Inspector General (Attachment B) which sought our opinion concerning whether or not [1½ lines not declassified] contravenes any existing Executive Order strictures and/or Agency regulations (especially those governing relationships between CIA and [less than 1 line not declassified]). The specific details of the activity, as well as our conclusions concerning their legality and propriety, are spelled out at length in this Office's 3 April 1979 response to the IG (Attachment C). Essentially, the activity in question is a [less than 1 line not declassified] and managed by [less than 1 line not declassified] which distributes ([less than 1 line not declassified] four European locations) published, open-source literature (books, pamphlets, etc.) to individuals in the Soviet Union and several Eastern European countries. The materials disseminated have on occasion included foreign language tracts which have been published overseas with covert Agency support. Much of the annual distribution from [1 line not declassified] is accomplished by approximately [1½ lines not declassified] who initiate contact by writing the office or visiting its premises and asking for certain publications which [less than 1 line not declassified] provides to them at no charge for forwarding to contacts, colleagues, and friends of [less than 1 line not declassified] who reside in the Soviet Union and Eastern Europe. The questions raised by the IG concerning the legality and propriety of the [less than 1 line not declassified] activity were primarily based on the fact that none of these

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<sup>1</sup> Source: Carter Library, National Security Affairs, Staff Material, President's Intelligence Oversight Board, Box 2, Meeting 5/16/79. Secret. Sent through the Deputy Director of Central Intelligence, Frank Carlucci, who did not initial the memorandum. Concurred in by the CIA Inspector General, John Waller, and the Deputy Director for Operations, John McMahon, on May 1.

<sup>2</sup> Attachments A-E were not found attached.

[*less than 1 line not declassified*] has ever been made officially witting of CIA's sponsorship of the program, although [*less than 1 line not declassified*] Staff points out that many of these persons are aware of the program's previous connection with Radio Liberty and Radio Free Europe and thus presumably assume or suspect on their own a continuing U.S. Government and CIA involvement in the operation.

3. It should be emphasized that a Presidential finding of 7 June 1978<sup>3</sup> formally approved this entire covert action activity based on information provided to the SCC which stated the expressed purpose of the program to be the infiltration of diverse types of literature into the Soviet Union and other Eastern European countries in order to generate publicity and otherwise support and encourage the citizens of those countries who favor liberalization and modernization of their countries' foreign and domestic policies. Nevertheless, in reviewing all of the available background memoranda and supporting documentation that were prepared for senior CIA management and the White House at that time, we have found no indication that the involvement of [*less than 1 line not declassified*] was ever explicitly spelled out.

4. *Supporting data.* Our 3 April 1979 response to the IG, after laying out a detailed factual recitation of the particulars of the [*less than 1 line not declassified*] reached the following basic conclusions:

a) The [*2 lines not declassified*] does not violate any existing Agency policies or Executive Order strictures since no "operational use" is being made of these individuals.

b) The occasional dissemination of materials covertly published by CIA similarly involves no illegality or impropriety since the materials are in a foreign language, are published overseas, and do not represent an attempt to influence U.S. public opinion.

5. A copy of our memorandum was furnished to the IOB, which had been previously alerted of this matter through an 8 March letter from the Acting IG (Attachment D). In a letter to me dated 13 April 1979 (Attachment E), IOB Counsel Gil Kujovich not only indicated satisfaction with our conclusions but also made note of his and the Board's approval of the manner in which this matter was raised and reviewed internally by OIG and this Office, stating it to be a "good example of how effective Executive Branch oversight should function." However, Mr. Kujovich went on to say that the Board believes that the [*less than 1 line not declassified*] is a factor which "should have been brought to the attention of the SCC, as well as the DCI, at the time

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<sup>3</sup> Reference is to the omnibus Presidential finding of June 7, 1978, which is in the National Security Council, Carter Intelligence Files, Presidential Findings/MONs and Background Material.

that the activity was reviewed." Thus, he stated that "the Board has determined to defer further action on this matter pending prompt consideration by both the DCI and the SCC."

6. Accordingly, pursuant to IOB's wishes, this memorandum and its attachments will serve to apprise you of the ongoing involvement of [less than 1 line not declassified] in the covert action activity [less than 1 line not declassified] (we should note that our 3 April memorandum to the IG had previously suggested that this matter be brought to your attention, particularly in view of your past interest and public statements on the subject of CIA [less than 1 line not declassified]). In addition, we have prepared a proposed memorandum from you to Dr. Brzezinski which similarly traces the facts and circumstances of this entire matter, including our correspondence with IOB. In light of IOB's apparent acceptance of the conclusions previously reached by this Office, it does not appear legally necessary at this time to initiate any changes in the current *modus operandi* [less than 1 line not declassified]. Thus, subject to any views to the contrary which you may have on policy grounds, your memorandum to Dr. Brzezinski presents this entire matter for his information only with no recommendation contained therein for any further action on the part of CIA or SCC.

7. *Recommendation:* Your signature on the attached memorandum to Dr. Brzezinski (Attachment A).

**Anthony A. Lapham<sup>4</sup>**  
*General Counsel*

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<sup>4</sup> Printed from a copy that bears this typed signature.



**96. Memorandum From the Chairman of the Intelligence Oversight Board (Farmer) to Vice President Mondale<sup>1</sup>**

Washington, May 14, 1979

**SUBJECT**

Presidential Standards for Review and Approval of Sensitive Collection and Counterintelligence Operations

The SCC agenda for Wednesday, May 16, includes consideration of Presidential standards for review and approval of sensitive collection operations pursuant to sections 1–303 and 1–306 of Executive Order 12036 and counterintelligence operations pursuant to section 1–304 of the Order. For the past six months, staff efforts to obtain agreement on the standards, or even basic principles, have been unsuccessful. The basic split has been between CIA on the one hand and Justice and State on the other.

**I. BACKGROUND**

During the latter stages of SCC consideration of what became Executive Order 12036, the SCC approved a provision requiring that sensitive collection operations be treated in a manner similar to that used for special activities (SCC approval or recommendations to the President on each proposed operation). On January 7, 1978, just prior to the signing of the Order, the Director of Central Intelligence sent a memorandum to the President recommending that the sensitive collection provision be changed to limit the role of the SCC in the approval process.<sup>2</sup> The memorandum was not coordinated with or even provided to the members of the SCC. The DCI's justifications for limited SCC review were the security problems raised by revealing sensitive operations to all SCC members and a concern that a procedure for SCC approval of all operations would lead to legislation requiring congressional approval as well. Up to and including the present time, the DCI's 1978 memorandum to the President has not been formally revealed to all the SCC members. The Secretary of State first learned of the existence of the memorandum in April 1979.

The President did not adopt the DCI's suggested language for the Order. Instead, he informed the DCI and the SCC Chairman that he agreed with the suggested approach but preferred to include the details in Presidential standards rather than in the Executive Order. As an

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<sup>1</sup> Source: Carter Library, National Security Affairs, Staff Material, President's Intelligence Oversight Board, Box 2, Meeting 5/16/79. Secret.

<sup>2</sup> See Document 72.

apparent consequence of the President's decision, the Executive Order was rewritten into its current form:

1-303. *Sensitive Foreign Intelligence Operations.* Under standards established by the President, proposals for sensitive foreign intelligence collection operations shall be reported to the Chairman [of the SCC]<sup>3</sup> by the Director of Central Intelligence for appropriate review and approval.

In June of 1978, the NSC asked the Attorney General for an opinion on the sensitive collection review procedures for the purpose of conducting an annual review. The resulting opinion discussed the history of the Executive Order, including the DCI's January memorandum to the President (which was provided "in confidence" only to the Attorney General). The opinion concluded that the President had not adopted the limited approval and review procedure proposed by the DCI and that he was free, under the Executive Order, to either adopt the procedure or to establish a different procedure as he saw fit. A copy of the opinion is attached at Tab A.<sup>4</sup>

For more than six months after the Order had been signed, there was no apparent effort to draft the standards, despite the Executive Order requirement for Presidential standards and the President's decision to include the details of the review and approval process in standards issued by him. In August 1978, the IOB met with the President and informed him that, in the absence of standards under the Order, sensitive collection operations were being approved by an informal procedure that did not necessarily include SCC consultation.<sup>5</sup> We also indicated that while we had not found any abuse in this procedure, we felt that the procedure raised serious institutional problems. The President expressed surprise and invited the Board to draft the standards, but we deferred to the Intelligence Community.

Subsequently, CIA and Justice circulated a series of draft standards, but the staffs at State, Justice and CIA were unable to reach agreement. In March of this year, the Secretary of State circulated to the SCC members a memorandum calling for an SCC meeting on the matter and setting out certain principles that he believed should govern the Presidential standards. This memorandum was followed by a State Department draft of the standards which was circulated in April to the SCC members with a memorandum from the Secretary of State

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<sup>3</sup> Brackets are in the original.

<sup>4</sup> Not found attached.

<sup>5</sup> See Document 88.

again calling for an SCC meeting. The State Department circulations are attached at Tab B.<sup>6</sup>

Throughout this period, there were also staff level discussions of Presidential standards for SCC approval of counterintelligence operations, pursuant to section 1–304(e) of the Executive Order. For your convenience, copies of the relevant Executive Order provision and the latest draft of the counterintelligence standards issues paper are attached at Tab C.<sup>7</sup>

## II. SENSITIVE COLLECTION STANDARDS

The basic issue to be decided is the institutional role of the SCC in the review and approval of proposals for sensitive collection operations. Two different approaches for the SCC role have emerged from the staff discussions. The first, supported by the CIA, treats the SCC as a resource to be used in the review and approval process at the discretion of the SCC Chairman (Assistant for National Security Affairs). Under this approach, the Chairman would approve sensitive collection proposals and consult the SCC as he deems necessary. The second approach, supported by the State Department, gives the SCC control over the review and approval process. Under this approach, the SCC would approve all sensitive collection proposals except certain categories of “routine” operations, as determined by the SCC, which could be approved by the Chairman and reviewed quarterly by the SCC.

The first approach would establish a procedure similar to that now in effect. The current procedure, as it has been described to us by Stan and Zbig, bears an unfortunate resemblance to the practice of the Forty Committee that was criticized by the Senate Select Committee on Intelligence.<sup>8</sup> With the exception of certain technical collection operations, sensitive collection proposals are reported to the SCC Chairman at the sole discretion of the Director of Central Intelligence. The DCI’s reports are usually oral rather than written. The Chairman then determines whether the Secretary of State should be informed (again orally) and whether the proposal should be referred to the SCC or whether to inform the President. As far as we can tell, there are no existing

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<sup>6</sup> Not found attached. Neither the CIA/Justice draft nor the March State Department memorandum was found.

<sup>7</sup> Not found attached.

<sup>8</sup> The 40 Committee, named after National Security Decision Memorandum 40, February 17, 1970, reviewed and approved covert action proposals. For the text of NSDM 40, see *Foreign Relations, 1969–1976*, vol. II, Organization and Management of U.S. Foreign Policy, 1969–1972, Document 203. According to the Church Committee Final Report (see footnote 5, Document 41), the 40 Committee considered only about 25 percent of the CIA’s individual covert action projects, and Congress received briefings on only a few proposed projects.

guidelines or standard for determining when the DCI consults with the SCC Chairman or when the Chairman consults with some or all of the members of the SCC. Last year, the SCC conducted an annual review of sensitive collection operations.<sup>9</sup> Brief written summaries were distributed at the outset of the meeting and collected at the end. Without any prior consideration or staff support, the SCC was asked to review and approve the current operations. At least some of the members present at the meeting were concerned that they did not really know what they had approved.

The Intelligence Oversight Board feels very strongly that the current process should not be perpetuated in the Presidential standards. Under the Executive Order, the members of the SCC, when meeting for the purpose of considering sensitive collection proposals, are the Secretary of State, the Secretary of Defense and the Attorney General, as well as the President's Assistant for National Security Affairs and the DCI. We believe that the potential for embarrassment to the United States and the other considerations that determine the sensitivity of certain collection operations require the considered judgment and approval of the President's senior advisers on foreign policy, national security and law. The DCI, and to a lesser extent, the President's Assistant for National Security Affairs are expected to act as advocates for collection activities that they perceive as necessary to meet the Nation's needs for reliable foreign intelligence. The responsibilities assigned to each generate institutional pressures to undertake collection activities. In order to assure that factors other than the need for foreign intelligence are given full and careful consideration, proposals for sensitive collection operations should be presented to and approved by the SCC.

The specific issues that should be decided by the SCC are as follows:

1. *Determination of Which Collection Operations Qualify as Sensitive:* There is general agreement that the DCI's discretion to report proposals for collection operations should be guided by general considerations tending to define sensitive operations. The State Department and the CIA disagree, however, on whether the Presidential standards should also include specific designations of types of proposed operations that are inherently sensitive and should always be reported. (One commonly cited example is an operation in which a head of state is a target or source.)

The Board believes that the DCI's discretion should be guided both by carefully defined criteria that will always require a report and by factors to be considered in determining whether to report operations not covered by the mandatory reporting criteria. In the staff discussions,

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<sup>9</sup> Not further identified.

the issue of mandatory reporting criteria has received more attention than is warranted, possibly because of a belief that such criteria imply a lack of faith in the judgment of the official responsible for reporting. We believe that the issue should be resolved in terms of the best method for structuring the decision-making process rather than in terms of the personalities currently involved in that process. Mandatory reporting criteria give some precision to an otherwise imprecise process and should therefore be included.

2. *Form of Reporting*: State and CIA disagree on whether sensitive collection proposals should be reported orally or in writing and on whether the DCI should be permitted to report categories of proposed operations rather than each specific proposal.

We strongly believe that the Presidential standards should include a requirement for reporting proposals in writing. Written proposals create a record of what was proposed and, therefore, of what was approved. A written record not only promotes careful consideration and establishes accountability, but also assists the DCI if it later becomes necessary for him to determine whether changed circumstances are consistent with an operation that has been approved. We are aware that a written document increases the risk of compromise of an operation and address that problem in the discussion of security procedures below.

Categorical reporting can be a useful device and should be permitted by the standards. If a group of operations are substantially similar (in terms of the type of target, risks of exposure, benefits to be derived, and potential effects of compromise) categorical reporting can permit careful consideration while at the same time avoid repetitive and time-consuming reporting and approval of specific operations. But categorical reporting should not inadvertently become a mechanism for obscuring differences among proposed operations or limiting the flow of relevant information to the Chairman and members of the SCC. The standards should therefore include a provision for the SCC to determine when categorical reporting will be permitted.

3. *Approval and Review by the SCC*: The issue here is whether the standards should require SCC approval of sensitive collection proposals or permit the Chairman of the SCC to approve proposals and consult the SCC as he deems necessary. For the reasons stated above, the Board believes that the SCC should be the approving authority. Although the issue has not been raised by either CIA or State, the Board believes that the standards should include a specific provision for advance distribution of written proposals to the SCC so that the SCC members will have both the time and staff support necessary to carry out their approval and review responsibilities.

The Board does not disagree with a procedure that permits delegation of limited approval authority to the SCC Chairman. Depending

upon the types of operations that are proposed and reported by the DCI, there may be categories of operations that are “routine” in that they are clearly consistent with established policy and do not involve high risk or especially serious consequences of exposure. To preserve flexibility and conserve the time of the SCC members, the Board believes that the standards should include a provision for the SCC to stipulate categories of proposals for “routine” operations that can be approved by the Chairman of the SCC. The Chairman’s approval of “routine” operations should not, however, completely replace the SCC process. We believe that the SCC members should review, on a quarterly basis, all proposals that have not received advance SCC approval.

4. *Annual Review by the SCC:* Section 1–306 of the Executive Order includes a separate requirement for an annual review by the SCC and a report to the NSC. If the issues described above are resolved as recommended, it should not be necessary to include detailed requirements for the annual review. The Department of State believes that the annual review should include a sampling procedure to evaluate the DCI’s characterization of operations as “sensitive.” The Board agrees with the State Department on this issue.

5. *Security of Information Concerning Sensitive Collection Operations:* There is no dispute that strict security procedures are required because of the extreme sensitivity of the information involved. We support the inclusion of security procedures in the Presidential standards. Security procedures should not, however, undermine the SCC approval and review process. In prior Administrations, security concerns have been used as a rationalization for engaging in cursory consultation (either by telephone or in informal conversations), for limiting the information provided to concerned Cabinet officials or for entirely bypassing established approval and review procedures. We believe that any formulation of security procedures should be based on the principle of control, rather than elimination, of written documents and of control, rather than denial, of information to the SCC members.

### III. COUNTERINTELLIGENCE STANDARDS

The issues for SCC review and approval of counterintelligence operations are similar to those described above for sensitive collection operations. The issues paper at Tab C adequately describes the issues and options.

The Board favors substantive standards that include a clear statement as to the types of counterintelligence operations that must be reported to and approved by the SCC. The Board also favors procedures for the reporting, review and approval of counterintelligence operations similar to the procedures that apply to sensitive collection operations.

**97. Memorandum From the Chairman of the Intelligence Oversight Board (Farmer) to President Carter<sup>1</sup>**

Washington, July 3, 1979

**SUBJECT**

Use of Unwitting United States Persons in CIA Covert Action (S)

The Central Intelligence Agency has reported a question of propriety concerning the unwitting involvement of United States academics and other United States persons in a CIA operated covert system for distributing publications to the Soviet Union and Eastern Europe.<sup>2</sup> The United States persons are provided, at no cost, publications they request for the purpose of mailing or personally delivering the publications to friends and acquaintances in the target countries. The United States persons are not informed that the organization providing the publications is a CIA proprietary operating under commercial cover. (S)

Neither the Director of Central Intelligence nor the members of the SCC knew of the unwitting involvement of United States persons when this covert action was reviewed and approved in June 1978. At our request, the DCI and the Chairman of the SCC have been informed. The SCC Chairman and the DCI believe that it is not necessary to change the *modus operandi* of the publication distribution proprietary. (S)

The other members of the SCC have not been informed that the covert action includes the unwitting use of United States persons. Under section 1–302 of Executive Order 12036, the SCC is required to consider and submit to the President a recommendation on proposed covert actions. The Board believes that the unwitting use of United States persons is a fact directly relevant to the SCC's review of the covert action. That fact should have been brought to the attention of the SCC when the covert action proposal was first presented in 1978. (S)

The Board recommends that the matter be referred to the SCC for full consideration at this time. (U)<sup>3</sup>

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<sup>1</sup> Source: National Security Council, Carter Intelligence Files, Intelligence Oversight Board, 3 Jun 1977–25 Jan 1979. Secret. Carter wrote at the top of the memorandum, "Zbig—Refer to SCC. J."

<sup>2</sup> See Document 95.

<sup>3</sup> A covering memorandum from Brzezinski to Carter, July 16, outlines the conclusions of the SCC: "The IOB's memorandum to you of July 3, 1979 on the role of unwitting U.S. persons in the book and publication distribution program to Eastern Europe and the Soviet Union sponsored by CIA was presented to the SCC on July 13, 1979, as you instructed. The unanimous view of the Committee was that no change should be made in the manner in which this program is conducted." Carter wrote "OK. J" beneath the paragraph.



98. **Memorandum From Attorney General Bell to Secretary of Defense Brown and Director of Central Intelligence Turner<sup>1</sup>**

Washington, August 15, 1979

SUBJECT

Intelligence Oversight Board Reporting Procedures

I have carefully reviewed the letter of July 28, 1979 which you proposed to send to the Assistant to the President for National Security Affairs on behalf of the three of us suggesting that the Chairman of the IOB be asked to forward to the Assistant to the President copies of anything that he sends to the President.

I cannot sign this letter and do not believe that this is a wise course of action. I know from my discussions with the Chairman of the IOB that the proposed letter is inaccurate in stating that the suggested procedure would not be objectionable to the Board from a policy viewpoint. Further, I disagree with the conclusion in the letter that the proposed procedure poses no risk to the Board's independence.

In accordance with these views, I am returning to you unsigned the draft letter of July 28, 1979.

While I dispute the wisdom of the procedure suggested in the draft letter, I share your view that it is important for the Intelligence Oversight Board to exercise great care to report to the President only those matters that are significant enough to deserve his attention and to ensure that these reports are fair and complete. At the same time, I am sure you recognize that an effective oversight system requires the IOB to maintain a healthy degree of independence. I have discussed these views with the Chairman of the IOB and found him to be quite receptive. If you perceive specific problems in the operations of the Board, I would urge you to discuss them with the Board and to seek counsel from my successor, Benjamin Civiletti.

**Griffin B. Bell**  
*Attorney General*

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<sup>1</sup> Source: Washington National Records Center, RG 330, OSD Files: FRC 330-82-0204B, 350.09 (Jun-Aug) 1979. No classification marking. Copies were also sent to Civiletti and Farmer.



## **Attachment**

### **Draft Letter From Secretary of Defense Brown, Attorney General Bell, and Director of Central Intelligence Turner to the President's Assistant for National Security Affairs (Brzezinski)<sup>2</sup>**

Washington, July 28, 1979

Dear Zbig:

There is an anomaly in the White House paper flow that we urge be corrected promptly. Reports on various matters from the Intelligence Oversight Board to the President appear to go directly from the Chairman of the Board to the President without a chance for you to examine them even to assure factual accuracy. We believe this is inappropriate in most cases.

We suggest that you request the Chairman to send you information copies of anything he sends forward to the President. This should not be objectionable to the Board from a policy viewpoint. There is no risk that the Board's independence would be jeopardized because its reports to the President would not be delayed or prevented from reaching the President. Moreover, there would be no automatic relaying of the reports to the agency which is its subject. The reports would merely be open to comment if you chose to submit additional views for the President to consider.

Sincerely,

**Harold Brown  
Griffin Bell<sup>3</sup>  
Stansfield Turner**

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<sup>2</sup> No classification marking.

<sup>3</sup> Attorney General Bell did not sign the letter.

**99. Memorandum From the Counsel of the Intelligence Oversight Board (Kujovich) to the Chairman of the Intelligence Oversight Board (Farmer)<sup>1</sup>**

Washington, November 7, 1979

SUBJECT

IOB Briefings on Intelligence Activities

I have relayed your request that the DCI or his Deputy brief the full Board on November 16. My point of contact in the CIA General Counsel's office will convey the request to the DCI. Before I write a follow-up letter, I think that you should review the background of the briefings issue.

At its December 1977 meeting,<sup>2</sup> the Board decided to arrange for briefings for the IOB, through the Counsel in the first instance, on all covert actions and sensitive collection operations that had received Presidential or SCC approval. You raised the matter with Admiral Turner and he suggested that it be cleared with Dr. Brzezinski, as Chairman of the SCC.

In order to obtain the suggested SCC clearance, Counsel Burt Wides engaged in a preliminary discussion with Sam Hoskinson, the relevant NSC staffer. Wides informed Hoskinson that "the President had agreed with the Board when they met this summer that the Board should be kept aware of such operations."

Wides also discussed the proposed briefings with David Aaron.

Aaron agreed that the Board and Counsel should receive covert action briefings, but expressed reservations about sensitive collection briefings. Aaron also suggested that the IOB not have access to written project proposals and decision memoranda.

At the January 16, 1978 meeting<sup>3</sup> the Board decided not to proceed with the briefings request until it had met with the President. On February 7, you sent a memorandum to the President setting out the issues the Board wished to discuss with him at a scheduled meeting.<sup>4</sup> The memorandum included the following:

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<sup>1</sup> Source: Carter Library, National Security Affairs, Staff Material, President's Intelligence Oversight Board, Box 2, Meeting 11/16/79. Secret.

<sup>2</sup> No minutes of the meeting were found. The agenda for the meeting is in the Carter Library, President's Intelligence Oversight Board, Box 1, Meeting 12/13/77.

<sup>3</sup> No minutes of the meeting were found. The agenda for the meeting is in the Carter Library, President's Intelligence Oversight Board, Box 1, Meeting 1/16/78.

<sup>4</sup> The memorandum is in the Carter Library, National Security Affairs, Brzezinski Material, Subject File, Box 29, Intelligence Oversight Board, 1/78-12/80.

Also, in order for the IOB to provide effective assistance, it needs to be fully aware of ongoing intelligence operations. In this connection, it was agreed at our June 8 meeting<sup>5</sup> with you that the IOB would be kept apprised of current operations so that it would have sufficient background against which to evaluate and judge particular activities that have been called into question. The IOB has obtained the necessary clearances and orientation briefings on sensitive collection techniques, but to maximize security in view of an anticipated change in personnel, the IOB deferred comprehensive briefings until its new Staff Counsel was hired. This has now been accomplished, and the IOB is ready to receive regular briefings on current covert action and sensitive collection operations. The NSC has indicated, however, that it would like to have your explicit confirmation before the DCI is authorized to brief the IOB on sensitive collection matters.

We desire clarification on this point because we believe that such briefings are necessary for the IOB to provide you with informed judgment on the matters it reviews.

At the end of the second paragraph, the President indicated his agreement by writing "OK."

The meeting with the President took place on February 10.<sup>6</sup> Burt Wides' memorandum for the record of that meeting shows that the President, Vice President, Bob Lipshutz, David Aaron, the Board and the Board's Counsel attended. The memorandum contains the following information about the proposed briefings:

Dave Aaron suggested that the Board receive briefings from the DCI, "like Admiral Turner's briefing of the Congressional Committee," so that the Board understands the structure and the techniques of the Community and the nature of our programs. Dave Aaron suggested reservation, however, about the Board getting into the identity of agents in extremely sensitive operations. The President indicated that was his view, and that if the Board felt it needed more information than the initial briefings provided, we could review the arrangements. Dave Aaron also questioned the IOB's seeing the proposal paper and decision memorandum.

. . . . Dave Aaron said that in the context of a particular inquiry, more specific questions about agents might be appropriate.

. . . . Mr. Farmer made clear that in the first instance the briefings would be provided to the IOB counsel for relay to the Board members and there was no objection.

It seems clear from your memorandum to the President and from the meeting that the President authorized briefings for the Board, and

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<sup>5</sup> June 8, 1977. No minutes of the meeting were found, but see Document 38.

<sup>6</sup> According to the President's Daily Diary, the meeting was held on February 9, 1978, not February 10. (Carter Library, Presidential Materials, President's Daily Diary) While no minutes of the meeting were found, the briefing memoranda for the meeting are in the National Security Council, Carter Intelligence File, Intelligence Oversight Board, 3 Jun 1977–25 Jan 1979.

for the Counsel in the first instance, on both sensitive collection and covert actions. The only qualification was that the Board would not be given specific identities on sensitive collection unless such identities were required for a specific investigation being undertaken by the Board. This conclusion is so stated in a Wides memorandum to the Board at the March meeting:<sup>7</sup>

At our meeting with the President, he confirmed the IOB should receive background briefings on current intelligence operations. They can be divided into three categories: covert action, sensitive intelligence collection and counterespionage. The understanding was that the Board would be fully briefed on covert action. As to sensitive collection on foreign intelligence, we were to be briefed on specific kinds of operations and judgments made regarding the risk-benefit considerations, but those briefings would not, for the time being, actually identify or permit identification, of the sensitive agent in each operation. It is not fully clear what kinds of briefings we will be able to get on counterintelligence, but they would presumably follow the pattern for sensitive collection.

Subsequent to the meeting with the President, you contacted Admiral Turner and arranged for Wides to receive the first briefings. Over the next couple of months Wides received briefings on specific covert actions and much less specific briefings on sensitive collection operations. These briefings were given by CIA staff. (The question of counterintelligence briefings was apparently never pursued.)

On April 28, 1978, you sent a letter to Admiral Turner requesting that either he or Frank Carlucci brief the Board on sensitive collection operations at the Board's May meeting.<sup>8</sup> You stated in your letter that the Board would arrange for a covert action briefing in the near future.

It appears that Turner and his staff gave a sensitive collection briefing at the May 11 meeting.<sup>9</sup> On May 25, you wrote Admiral Turner thanking him for "the briefings you provided on sensitive collection matters."<sup>10</sup> You also requested that he arrange for a briefing (at the Board's June meeting) on covert actions and the procedures for SCC approval of covert actions.

Despite David Aaron's agreement with the proposed briefing on covert actions and the President's approval of such a briefing, new problems arose. The difficulty seems to have been with your request

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<sup>7</sup> Wides' minutes of the March 16, 1978, IOB meeting are in the Carter Library, National Security Affairs, Staff Material, President's Intelligence Oversight Board, Box 1, Meeting 3/16/78.

<sup>8</sup> Not found.

<sup>9</sup> Minutes of the meeting are in the Carter Library, National Security Affairs, Staff Material, President's Intelligence Oversight Board, Box 1, Meeting 5/11/78.

<sup>10</sup> Not found.

that the briefing include the procedures for approving covert actions. The CIA DDO advised Wides that he should again clear the briefing request with the NSC. In June, Sam Hoskinson informed Wides that Dr. Brzezinski believed that the IOB should not be looking into the approval procedures unless there was a particular allegation of illegality or impropriety about the way the NSC did its work. The issue was not resolved between Wides and Hoskinson in the June discussion.

After June of 1978, I can find no further record of follow-up on the covert action briefing request. As you may recall, the Board immersed itself in the Shadrin case<sup>11</sup> and the charters legislation of that time. Apparently, the covert action briefing request was lost in the shuffle.

There was, however, a revival of the sensitive collection briefing issue. On August 15, the Board met with the President to discuss Board access to information,<sup>12</sup> including sensitive collection operations and Attorney General opinions. We have no written record of that meeting. On August 17, you sent a memorandum to the President<sup>13</sup> responding to his request:

for a written summary of the principal categories of information and the degree of access to sensitive data which the Board considers essential in order to perform effectively the functions you have assigned to it.

The summary covered sensitive collection (but not covert action) and indicated that the Board required regular detailed briefings on individual operations identified by nationality and functional category but not by name. The President responded on the memorandum as follows:

too specific. Each quarter Zbig will go over report with Chairman of IOB.

Your memorandum also indicated that the Board required information on the process by which projects are initiated. Although the President did not make any comment on the memorandum concerning this matter, at the August 15 meeting he suggested that the Board draft sensitive collection approval procedures. It therefore appears that the President agreed that the Board should have access to information on the procedures by which intelligence activities are approved by the SCC, SCC Chairman, and the President.

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<sup>11</sup> A reference to Nicholas George Shadrin, a Soviet defector and double agent, who disappeared after his December 20, 1975, meeting with the KGB in Vienna.

<sup>12</sup> No minutes of the meeting were found.

<sup>13</sup> See Document 88.

To summarize what has been approved by the President:

*June 1977:* The President orally agreed that the Board should be kept informed of ongoing intelligence operations.

*February 1978:* President agreed in writing that Board should receive briefings on covert action and sensitive collection operations.

President confirmed this decision at a meeting with the qualification that individual sensitive collection sources should not be revealed to the Board unless necessary for a specific Board investigation.

*August 1978:* President clarified in writing his instructions on sensitive collection briefings. He established a procedure for the Board Chairman to receive quarterly briefings from Dr. Brzezinski. The briefings were to be not so specific as to reveal the nationality and position of specific sources.

The President has not made any further pronouncements on the briefing issue.

At the end of 1978, you wrote Dr. Brzezinski<sup>14</sup> requesting that he give the Board the first quarterly briefing. You renewed this request in a letter of January 9, 1979 and Dr. Brzezinski and the DCI met with the members of the Board on January 25.<sup>15</sup> At that meeting (which did not include staff), the procedures for approving sensitive collection operations were discussed, but there was no discussion of the actual operations.

On March 5, you again wrote Dr. Brzezinski noting that the substantive briefing had not been given and requesting that it be conducted at the Board's March meeting.<sup>16</sup> Subsequently Dr. Brzezinski suggested (through Sam Hoskinson that the briefings be given by Admiral Turner and his DDO.)<sup>17</sup> At my request Hoskinson contacted the DDO and arranged for the Board to receive the same briefing on sensitive collection that is given at the SCC annual review. I told Hoskinson that the Board would receive this briefing and decide for itself whether it was an adequate substitute for the quarterly Brzezinski briefings that has been directed by the President.

Scheduling difficulties and the controversy over the Presidential standards on sensitive collection prevented the Board from actually scheduling a date for the briefing. The matter was not raised again until October.<sup>18</sup> At that time I asked Dan Silver to schedule a briefing on sensitive collection and covert action for you and me. Subsequent

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<sup>14</sup> Not found.

<sup>15</sup> Neither the letter nor minutes of the meeting was found.

<sup>16</sup> Not found.

<sup>17</sup> Hoskinson's memorandum of March 16 is in the Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 98, Intelligence (IOB & NFIB Issues) 1978–1980.

<sup>18</sup> Not further identified.

discussions led to the DCI's statement that he had provided the briefings ordered by the President but that he was willing to brief the Board once more. The DCI stipulated that the briefing be given to the full Board with no staff present. I relayed to him your message that the briefing should take place at the Board's meeting on November 16.

It seems clear that the President's decisions on the IOB briefings have not been followed with great care. On the one hand, the CIA and NSC staff have engaged in repeated delays and sought additional clarifications after the matter had been decided by the President. On the other hand, the Board has not exerted consistent pressure to have the President's decisions carried out and has at times requested briefings (on sensitive collection) that were inconsistent with those decisions.

I recommend that you choose one of the following two options:

(1) Write Admiral Turner a letter briefly setting out the President's decisions and requesting that he comply with those decisions by

(a) Briefing the Board and Counsel on covert action programs at the November 16 meeting.

(b) Arranging for staff briefings for the Counsel on procedures for developing and approving covert actions.

(c) Arranging for a briefing of the IOB Chairman on sensitive collection operations.

(2) Call Admiral Turner on the secure line to arrange for the above-described briefings. If arrangements cannot be made, include the matter in a memorandum to the President on the powers and authorities of the IOB.

**100. Letter From the Chairman of the Senate Select Committee on Intelligence (Bayh), the Chairman of the Subcommittee on Charters and Guidelines (Huddleston), and the Vice Chairman of the Subcommittee on Charters and Guidelines (Mathias) to President Carter<sup>1</sup>**

Washington, January 24, 1980

Dear Mr. President

As we agreed at a meeting with you in the White House shortly after you took office as President,<sup>2</sup> the Senate Select Committee on Intelligence has been working with the Vice President, the Director of Central Intelligence, the Secretary of State, the Secretary of Defense, the Attorney General, and other officials whom you designated to arrive at an agreed upon charter for the governance of intelligence activities of the United States. At your direction, we assisted you in drafting an interim Executive Order, Executive Order 12036, which is serving as the principal legal authority for intelligence activities until a statutory charter is completed.

The Committee has worked carefully and has tried to test every proposition against constitutional requirements and practical necessity. We have held three sets of hearings on charters alone, and have had hundreds of meetings at the staff level on issues raised by particular provisions of an intelligence charter.

At the meeting with Vice President Mondale which took place on January 22, 1980,<sup>3</sup> we were able to narrow the areas of disagreement to two issues. The first concerns the heart of an effective oversight system, namely full access to information, while the second remaining issue affects a prohibition on the paid operational use of persons who are members of certain historically protected institutions.

The first issue of possible disagreement is over the right of the oversight committees to have full and complete information. Since 1976, the Senate Select Committee on Intelligence has functioned under the provision in Executive Order 12036. (These provisions are included as an attachment<sup>4</sup> and should be carefully reviewed along with the statutory provision we believe is required for effective oversight.)

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 11, PD 17 [3]. No classification marking.

<sup>2</sup> Not further identified.

<sup>3</sup> No minutes of this meeting were found.

<sup>4</sup> Not found attached.



We all recognize that effective oversight requires timely and full information. Such necessary information should be available whenever it can be most useful. As a matter of practice, with your full support, the Committee has been able to work out with the Intelligence Community the kinds of information it believes it needs, the degree of detail it believes necessary, and when such information should be supplied. In some cases the information required is very general in nature, in other instances extremely detailed; in most instances the information is supplied on a timely and current basis, while in some instances, such as covert action, some collection programs and certain technical areas, we have asked for and received information prior to implementation. The process has worked very well, thus far, and we believe it is in the nation's interest to institutionalize this process in law. We fully support the view that the Hughes-Ryan Amendment<sup>5</sup> should be amended to limit notifications of Presidential approvals of covert action to the Intelligence Committees of the House and Senate, provided that the two Intelligence Committees are fully and currently informed, including notification of covert action prior to implementation.

As to sensitive sources and methods, the Committee has worked very hard to create a secure environment for the protection of extremely sensitive information. We have had occasion to examine, when required, sensitive sources and methods, names of agents, details of technical systems, the precise nature of liaison relationships and are proud to say that we have done so in a way that protects this sensitive information. At the same time, the Committee has been restrained. We have not generally sought information about the precise names of agents or the details of extremely sensitive systems unless we believed it was necessary to do so. Where there were disputes, we have been able, thus far, to work them out. But the Committee believes it is necessary to have it clearly stated in a statute that there is a right to any and all information concerning intelligence activities, including prior notice of significant activities.

We recognize, however, that the President has duties and prerogatives conferred by the Constitution and we have taken account of this in the opening phrase of Section 152 of the charter, which states:

Consistent with all applicable authorities and duties, including those conferred by the Constitution upon the executive and legislative branches, . . . .

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<sup>5</sup> See footnote 3, Document 80.

Further, we recognize that the President should have the right to decide in what ways information should be given to the oversight committees, and whether the President wants to give them directly himself, through the Director of Central Intelligence or through some other means. We have provided for this in Section 152(e), which reads as follows:

The President may establish such procedures as the President determines may be necessary to carry out the provisions of this section.

The Committee is unanimous in its belief that it must have the right of full access to information if there is to be effective oversight. The necessity to engage in secret activities poses special problems for an open, democratic society. We all agree that secret activities are necessary. The protection necessary to assure that secret activities will be conducted in accord with the Constitution is effective oversight. Full access to timely information and prior notice of significant activities are the *sine qua non*. Without it there can be no assurance that careful scrutiny of intelligence activities will be given by the Legislative branch.

The second issue concerns a prohibition on the use of academics, clerics and the media. The Committee's provision would prohibit certain paid or operational relationships between members of these professions and the agencies of the Intelligence Community. It would not prohibit voluntary relationships. A number of members of the Committee believe that these professions deserve special protection because of their close symbolic and institutional identification with rights of free expression protected by the First Amendment.

The issue is whether the need for paid operational use of clergymen, academics and journalists outweighs the need to protect the integrity of their professions. If, in your opinion, it does, we would be prepared to consider the drafting of a waiver provision permitting an exception in situations where a vital national interest is at stake.

We would like to discuss these issues with you personally before you come to a decision. You have already very generously invited us to come to you directly whenever we felt there was an issue of crucial importance with regard to the drafting of a charter governing the intelligence activities of the United States. We believe that the importance of these issues requires such a discussion with you.

We want to thank you for the firm support that you personally have provided in furthering the completion of this effort. We are appreciative of the cooperation that Vice President Mondale, his chief aides, Admiral Turner, Secretary Vance, Secretary Brown, Attorney General Bell and now Attorney General Civiletti and their associates have shown in working with the Senate Select Committee on Intelligence to arrive at a consensus on how the intelligence activities of the United

States should be governed. The effort to place these vital activities within a constitutional framework has not been easy. With a little more effort, we believe that we can come to agreement on legislation that will serve the country well.

With kind regards,

**Birch Bayh**

*Chairman*

**Walter D. Huddleston**

*Chairman, Subcommittee on Charters and Guidelines*

**Charles McC. Mathias, Jr.**

*Vice Chairman, Subcommittee on Charters and Guidelines*

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## 101. Memorandum for the Record<sup>1</sup>

Washington, January 30, 1980, 9:30–11:00 a.m.

### SUBJECT

Meeting with President on Intelligence Charter January 30, 1980

### PARTICIPANTS

President Jimmy Carter  
Senator Walter Huddleston  
Senator Birch Bayh  
Senator Charles McC. Mathias  
Senator Edwin Garn  
Attorney General Benjamin Civiletti  
Zbigniew Brzezinski, Assistant to the President for National Security Affairs  
David Aaron, Deputy Assistant to the President for National Security Affairs  
William Miller, Staff Chief, Senate Select Committee on Intelligence  
Denis Clift, Assistant to the Vice President for National Security Affairs  
Madeleine Albright, NSC Staff Member, Congressional  
Donald Gregg, NSC Staff Member, Intelligence  
The Director of Central Intelligence, Stansfield Turner

The President opened the meeting by thanking the Senate Committee for its good work on charters. He said he had noted that foreign governments were now less reserved about sharing information as

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 11, PD 17 [3]. Secret; Sensitive. The meeting was held in the Cabinet Room.

they have seen intelligence oversight procedures worked out. The President said that he wants a charter passed, and that he also wants the Hughes-Ryan act<sup>2</sup> modified, some relief from the FOIA act, and a protection of identities provision. (S)

Senator Bayh replied by saying that his committee wants to move rapidly to pass the charter. He said there is a strong feeling in the Senate to remove "unneeded bureaucratic entanglements" from the charter. He praised the DCI for working well with the Committee. Bayh said that if the three provisions mentioned by the President were removed from charters, reporting procedures would have to be institutionalized. He wants a charter that will endure, and will keep future administrations from repeating some of the mistakes of the past. The President said that he was pleased that mutual trust had developed. He said "I think that the basic integrity of CIA and the oversight process has been restored." (S)

The President then moved to discuss areas where there still are differences between the Administration and the Committee. He said he opposed a flat prohibition against use of clerics, academics and press reporters. He feels that the intelligence community needs to be able to use individuals from these groups in special cases when either he or the DCI decides. (S)

The President then said that prior notification of anticipated significant actions was overly restrictive. He said there are times where actions must be carried out where very few know. He cited the very recent case of the six US hostages who had been smuggled out of Iran with the aid of the Canadian Embassy. He said that many plans had been developed and assessed, and many changes made. The President added that if he had been forced by a charter to share such information with a larger group, he would have been reluctant to "jeopardize lives," and the viability of the Canadian Government in the Arab World.<sup>3</sup> Of the two issues, the President said, the second is far more significant. He said that he would not want to be required by law to have to inform even his five closest advisors of all he plans to do. (S)

Senator Huddleston said that the Committee was trying to "temper theory with reality." He said much progress had been made on the charter, but that (speaking to the first issue) there would be heavy criticism if it were seen that paid, sustained and covert use of clerics, academics and pressmen was to be permitted. Huddleston said that restrictive guidelines, limiting such use, might be all right. (S)

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<sup>2</sup> See footnote 3, Document 80.

<sup>3</sup> See Bernard Gwertzman, "Six U.S. Diplomats, Hidden By Canada, Leave Iran Safely," *New York Times*, January 30, 1980, p. A1.

The President reiterated that he did not want a prohibition. He noted that we have growing problems in the Moslem world, and that covert use of [*less than 1 line not declassified*] is becoming much more necessary if we are to deal with the problems we face. (S)

Senator Garn spoke up as a Mormon, and said that the 30,000 missionaries sent overseas by his church have been damaged by charges of use by CIA. Garn also suggested that guidelines be written to limit use of these groups. The DCI spoke and said that he had no objection to guidelines, adding that the general policy was that such people would not be used, but that there would be exceptions. (S)

Bayh noted that the press will be looking at this provision in the charter very hard, and that there would be an outcry if it were perceived that general use of the press was to be permitted. (S)

The President hoped that the question might be finessed, or left as it is. He noted that it is often very hard to rewrite something without calling additional attention to it. (C)

Huddleston said that the issue of prior reporting was more crucial to the oversight process. Huddleston felt that prior reporting of anticipated significant events was a needed balance to the narrowing of the reporting requirements in Hughes Ryan. The President interjected that it was that specific provision that gave him problems. (C)

Huddleston said that the Senate was not asking for any approval provision, nor did they wish to infringe on the President's Constitutional rights. Huddleston said that Frank Church, Chairman of the Senate Foreign Relations Committee wants prior reporting if his Committee is no longer to be reported to under the Hughes-Ryan amendment. Huddleston supported this contention. (C)

The President said that he has tried to keep the Congress fully and currently informed. He said that in the case of a long term covert action, he would see no problem in informing the Congress prior to its implementation. (He cited the example of trying to develop a more stable government in an unspecified country.) The President said, however, that there have to be exceptions. Referring again to the recent Iran case (six hostages) the President said that the Senate charter, as written would have forced him to "risk lives, break the law or drop the option." He said that he did not think that Prime Minister Clark of Canada would have cooperated as fully as he did had he known that Congress was being told of what was going on. (S)

Senator Garn supported the President on this point, and hoped that a joint intelligence committee could be formed. (C)

Huddleston said that some exceptions from prior reporting should be permitted, such as a plan to mount a military strike designed to free the remaining hostages in Iran. (C)

The President said that both sides seemed close to agreement. As another reason not to be required to give prior reporting to the Congress, the President cited several long letters he has received from the House intelligence committee on very sensitive covert actions.<sup>4</sup> Such letters give the President pause, as he does not know who typed them, or who saw them. (C)

David Aaron suggested that language in the charter be kept as it is in Executive Order 12036, with the DCI making clear in testimony that this normally means prior reporting. Aaron commented that the SSCI has strong control over the intelligence community as a whole via the oversight process, and any misuse of such a system would quickly be noted and rectified. (C)

Senator Mathias said that the intelligence community has been “put through a wringer” over the past five years, and a good charter will ensure that the process will not have to be repeated. (C)

The President again referred to the recent case in Iran as the clearest example he could think of to demonstrate why he should *not* be required to give prior notification in all cases. (S)

Dr. Brzezinski noted that there appeared to be a clear cut distinction between long-range and short-range covert actions, and that the exceptions should apply to short-range operations of high sensitivity, designed to save lives. Senator Bayh said he thought that this distinction was a useful one around which to construct a waiver. (S)

The President reiterated his interest in getting a charter bill submitted quickly. He said that once the Senate and the Administration had reached agreement, he would try to “arouse some enthusiasm” for the charter in the House of Representatives. The President left the meeting at that point. (C)

Bill Miller said that he favored a “tight waiver” to allow the President the needed flexibility in reporting to the intelligence committees. (C)

The Attorney General said that the purpose of prior notification is “to chill bad acts, and to deter or change others.” He said that the President should have flexibility, and that he ought not to be limited by others trying to define specifically the kinds of exceptions he should not have to report in advance. He said that a “broad” or “simple” phrase would be best. (C)

Although the President had not mentioned it, both David Aaron and the DCI indicated that the current language of the charter, which set no limits on the nature and amount of detail which would have to

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<sup>4</sup> Not further identified.

be reported to the SSCI was not acceptable. Some limitation, clearly indicating the DCI's responsibility, and that of the President, to protect sources and methods, needs to be in the charter. (C)

The meeting ended at that point.

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## **102. Paper Prepared by the Working Group on Intelligence Charter Legislation<sup>1</sup>**

Washington, February 12, 1980

### *WORKING GROUP REPORT ON INTELLIGENCE CHARTER LEGISLATION*

On February 8, 1980 Senators Huddleston, Bayh, Mathias and Goldwater, on behalf of the Senate Select Committee on Intelligence (SSCI), introduced a new comprehensive intelligence Charter bill, "The National Intelligence Act of 1980."<sup>2</sup> Although the bill was not introduced as a joint Administration-SSCI product, in very large measure it reflects compromises and agreements reached between the SSCI staff and the Intelligence Charter Working Group (represented by its chairman).

The purpose of this report is to list what appear to the Working Group to be significant differences between the bill and the draft the Working Group would have recommended. A list of the key issues is set out in Section A, together with the Working Group's recommendations. If the President approves the Working Group recommendations, these points will be transmitted to the SSCI as Administration positions, and the Administration will seek appropriate modification of the bill in the course of the legislative process.

In addition, a small number of points are still the subject of disagreement within the Executive Branch. These points are set forth in Section B of this report for resolution by the President. An issue paper on each of the issues within the Executive Branch is attached at Tab A.<sup>3</sup>

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<sup>1</sup> Source: Carter Library, National Security Council, Institutional Files, 1977–1981, Box 11, PD 17 [4]. No classification marking.

<sup>2</sup> S. 2284 was introduced in the Senate on February 8 and referred to the Senate Select Committee on Intelligence.

<sup>3</sup> Not found attached.

The discussions between the Working Group Chairman and the SSCI staff have been fast-moving in recent weeks. While the Working Group members have been kept fully informed of the evolution of the agreed provisions found in the SSCI bill, there has not been an opportunity for review of the draft by the Special Coordination Committee of the NSC. Nor has there been time for a thorough review of the draft in the light of last-minute compromises reached in order to reduce the number of issues requiring Presidential resolution. Consequently, even after determination of the Administration position on the issues presented in this report, a certain number of changes, largely technical in nature, may have to be made in the course of the legislative process. It is not anticipated that these changes would require further decisions by the President or that they would give rise to major disputes between the SSCI and the Administration.

#### A. REMAINING DIFFERENCES BETWEEN THE ADMINISTRATION AND THE SSCI

Set forth below are a series of points on which the Working Group feels that the Administration should take exception to provisions of the SSCI bill.

##### 1. *Prior Reporting to Congress of Special Activities*

The bill requires (section 142) that the two congressional intelligence committees be kept “fully and currently informed” of all intelligence activities, including “any significant anticipated intelligence activities.” It also provides (section 125) that each high-risk special activity and each category of lower-risk special activity covered by a Presidential finding shall be considered a “significant anticipated intelligence activity,” thus requiring prior notice, except that for a period of forty-eight hours such prior notice may be limited to the chairmen and ranking minority members of the two oversight committees and the majority and minority leaders of the two Houses of Congress.

The Working Group recommends that the Administration take a firm position against any prior reporting requirement for special activities. The Working Group recommends that any accommodation of the congressional desire for prior notification of certain categories of major or long-term special activities be accomplished through legislative history and not through statutory language. The concepts of timely notification and the obligation to keep the committees “currently” informed should suffice to ensure that prompt notice of significant activities (ordinarily before the event) is given while retaining necessary Presidential flexibility to preserve security in exigent circumstances, especially when human lives are at stake.



## *2. Prior Reporting of Other Significant Intelligence Activities*

As the bill is formulated, it would require prior reporting to the two intelligence committees of significant anticipated intelligence collection activities, in addition to special activities. This requirement, while found in Executive Order 12036, is not at present embodied in statutory law. The Working Group recommends that the Administration position be opposed to the inclusion of such a provision in the Charter bill, even were some form of prior reporting to be accepted for special activities. Foreign intelligence collection is a vital aspect of the President's exercise of his responsibility for the conduct of foreign affairs and protection of the national security. In contrast to special activities, intelligence collection is more clearly within the ambit of exclusive Executive Branch authority. Furthermore, a statutory requirement to report sensitive collection activities in advance to the oversight committees would significantly restrict the flexibility now available to the President with regard to the collection of intelligence. It is, in our view, unnecessary to appropriate oversight, given the extensive oversight powers elsewhere provided to the two intelligence committees. As with special activities, a requirement to keep the Congress fully and currently informed would suffice without excessively impairing flexibility.

## *3. Absence of Intelligence Source and Method Protection in the Oversight Process*

The bill does not include in the congressional oversight section (section 142) a key phrase that the Working Group considers it essential to insert as a condition to the Executive Branch's obligation to keep the oversight committees informed. This is that such obligation should be "consistent with all applicable authority and duties, including those conferred by the Constitution upon the Executive and Legislative Branches and *by law to protect sources and methods.*" The underlined words are not included in the SSCI bill. The function of this phrase is to provide authority for withholding from the oversight committees extremely sensitive information, such as the true identities of agents or information furnished by foreign liaison services who do not wish it shared with the Legislative Branch of our government. Without a clear statutory basis for protecting such information, the ability of the intelligence agencies to deal with sources and foreign governments would be impaired. The information in question is not of the kind required for proper oversight. Moreover, the phrase at issue is included in section 3-4 of E.O. 12036. Failure to include it in the Charter bill, therefore, would be a retreat for the Executive Branch from present oversight arrangements.

## *4. Prohibition on Cover Use of Certain Institutions*

The Working Group understands that in the President's meeting with Senator Huddleston it was agreed that restrictions on the use of

academics, clerics and journalists would be replaced with hortatory language requiring regulations to protect the integrity of professions in general.<sup>4</sup> The SSCI bill, however, continues (in section 132(b)) to contain detailed restrictions on the cover use of United States religious, media and academic institutions and exchange programs; the hortatory language applies only to operational use of members of the various professions. The Working Group feels that the general approach requiring regulations to preserve the integrity of all professions would take care sufficiently of both cover and operational use, and accordingly recommends that the Administration support deletion of the SSCI bill's detailed restrictions on the cover use of certain institutions.

While cover use should be kept to an absolute minimum, circumstances are conceivable in which such use would be the only plausible cover available in a situation of the highest urgency and national importance. A blanket prohibition in such circumstances would either lead to the loss of essential intelligence or require the government to engage in unlawful activity. The Working Group recommends that the Administration seek deletion of section 132(b) of the SSCI bill.

##### 5. *Wartime Waiver*

The SSCI bill contains no general provision permitting the President to waive restrictions on intelligence activities in time of war, although there is a limited war-time waiver provision with respect to the prohibition on cover use of certain institutions. The Working Group recommends that the Administration support the inclusion of a general war-time waiver provision to read as follows:

“(a) The President may waive any or all of the restrictions on intelligence activities set forth in this Act during any period—

(1) in which the United States is engaged in war declared by Act of Congress; or

(2) covered by a report from the President to the Congress under the War Powers Resolution, 87 Stat. 555, to the extent necessary to carry out the activity that is the subject of the report.

(b) When the President utilizes the waiver authority under this section, the President shall notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate in a timely manner and inform those committees of the facts and circumstances requiring the waiver.”

Although considerably improved over S. 2525, the SSCI bill still contains a variety of restrictions and requirements, both procedural and substantive, whose full impact cannot be anticipated or fully understood. In time of war, these restrictions and procedures may prove to

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<sup>4</sup> See Document 101.

impede necessary action, forcing the President to choose between danger to the national security and deliberate violation of the law. The limited waiver proposed by the Working Group would deal with these exigent circumstances, while at the same time preventing any potential abuse by requiring notification to the two oversight committees.

#### 6. *FOIA Amendment*

The SSCI bill provides (section 421(d)) an exemption from the Freedom of Information Act for certain CIA operational and technical files, except in the case of “first person” requests by United States persons. This provision, while acceptable to CIA, fails to provide any relief for the NSA and other Intelligence Community components that also have confronted serious problems under the FOIA. The Working Group prefers the formulation proposed by the Director of Central Intelligence, under which the DCI would be empowered to designate operational and technical files not only within the CIA but in any component of the Intelligence Community, and thereby exempt such files from the FOIA except in the case of first person requests. Language for this purpose is set forth at Tab B.<sup>5</sup> The Working Group recommends that the Administration support modification of the SSCI bill to accomplish this broader FOIA relief.

#### 7. *Protection of Identities*

The SSCI bill contains a provision establishing criminal penalties for disclosure of the identity of an undercover intelligence officer or agent (Title VII). The provision, however, would apply only to a person who had authorized access to classified information and would not cover aiders, abettors, accomplices or conspirators who knowingly assisted in the commission of the offense. The Working Group considers this provision inadequate and recommends that the Administration support a more extensive provision. There is disagreement, however, between CIA and the Department of Justice as to the scope of the substitute provision the Administration should support. An issue paper on this point is included in Tab A. The Working Group proposes that the Administration advance whichever of the alternate formulations is chosen by the President.

#### 8. *Foreign Intelligence Surveillance Act*<sup>6</sup>

The SSCI bill contains amendments to the Foreign Intelligence Surveillance Act (FISA) for purposes of including physical searches in its scope. The Working Group feels that the Administration should not

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<sup>5</sup> Not found attached.

<sup>6</sup> P.L. 95–511.

support a legislative proposal dealing with the FISA without at the same time taking account of significant inadequacies in the FISA that have become apparent since its enactment. The changes required to remedy these problems are:

a. Modification of the targeting standards to permit targeting of dual nationals who occupy senior positions in the government or military forces of foreign governments, while at the same time retaining United States citizenship. Frequently the activity of such persons when they visit the United States on official business is not such as to bring them under the quasi-criminal targeting standard now found in the FISA.

b. Modification of the targeting standards to permit targeting of former senior foreign government officials even if they are not acting in the United States as members of a foreign government or faction. Again, this problem was not anticipated at the time the FISA was passed, but various situations have arisen in which it is clear that a former foreign government official (such as a deposed head of state) who is present in the United States may have significant foreign intelligence information. Under present law such an official can be targeted only if a member of a foreign faction or government.

c. Clarification of the FISA to make it clear that the Attorney General, in authorizing the limited category of surveillances not subject to court order, has the same power as the court to authorize non-consensual entry of premises to effectuate the surveillance.

d. Extension of the emergency surveillance period from twenty-four to forty-eight hours. Recent experience indicates that the twenty-four-hour period is inadequate, leading to the necessity of delaying implementation of emergency surveillances.

A classified memorandum from the National Security Agency setting forth reasons for these changes to the FISA is attached at Tab C.<sup>7</sup>

## *B. DIFFERENCES REQUIRING RESOLUTION WITHIN THE EXECUTIVE BRANCH*

Attached at Tab A are seven issues papers describing issues that require resolution by the President and as to which there is not unanimity among the departments and agencies represented on the Working Group. These issues are:

1. Should the provisions imposing criminal penalties for unauthorized disclosure of identities of intelligence personnel follow the Justice Department or the CIA version.

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<sup>7</sup> Not found attached.

2. Should positive foreign intelligence collection directed against United States persons by extraordinary techniques be authorized only if the court finds that the intelligence sought is “significant” foreign intelligence.

3. Should CIA and NSA employees serving overseas receive benefits comparable to State Department employees.

4. Should NSA overseas employees be provided special retirement benefits equivalent to the CIA retirement system.

5. Should the Intelligence Oversight Board be given express authority to review the internal practices, procedures and guidelines of the intelligence agencies.

6. Should the bill contain a requirement that entity heads report to the Intelligence Oversight Board intelligence matters specified by the President.

7. Should the Central Intelligence Agency have statutory authority to obtain data collected by other entities of the Intelligence Community, including data obtained by technical collection systems, for purposes of processing and analysis.

In closing, it should be again emphasized that this report and the agreed portions of the SSCI bill have undergone numerous last-minute changes. Consequently, there may be further issues internal to the Executive Branch or between the Administration and the SSCI. In addition, there is the unavoidable risk that compromises reached under some time pressure will appear unacceptable to the parties upon later reflection.

**Daniel B. Silver**

*General Counsel, CIA*

*Chairman, Intelligence Charter Working Group*

**103. Memorandum for the Record<sup>1</sup>**

Washington, March 3, 1980

**SUBJECT**

Meeting with Admiral Turner, February 28, 1980

On February 28, 1980, from 3:30 until 4:10 pm, Thomas Farmer and Senator Gore met with Admiral Turner at the DCI's office to discuss his annual report to the IOB, dated January 31, 1980.<sup>2</sup> Governor Scranton was unable to attend because of illness. Staff was not present at the meeting. The following summary is based on a debriefing by Mr. Farmer and Senator Gore shortly afterwards.

The main purpose of the meeting was to determine whether or not any intelligence activities had been withheld from the IOB under Admiral Turner's expressed interpretation of his reporting obligation, i.e., that he need not report any activity about which he is "persuaded" the President has knowledge and has "manifested a desire" not to disseminate further. Admiral Turner cited two instances in which information had been withheld from the Board.

The first instance involved an operation, apparently on-going, which was proposed to the President at a meeting about two years ago. Turner, Brzezinski, and Vice President Mondale were present when the proposal was discussed with the President. The President asked who knew of the proposal, to which the participants responded that only they had knowledge. The President then said not to tell anyone else. A question was raised whether a certain other Cabinet officer should be informed. (Turner did not specify who this Cabinet officer was, but from the context of his statement it was probably Secretary Vance or Judge Bell). The President stated that this Cabinet officer should not be informed. No reference was made to the IOB in the course of this meeting.

Attorney General Bell was subsequently asked for a legal opinion on this proposed operation, but it was presented to him in hypothetical form only. The proposal was implemented. It was never described to Congress, although the Intelligence Committees were apparently informed that an operation existed about which they could not be given any details.

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<sup>1</sup> Source: Carter Library, National Security Affairs, Staff Material, President's Intelligence Oversight Board, Box 3, Meeting 5/19/80. Secret. Prepared by James V. Dick, IOB Counsel.

<sup>2</sup> Not found.

The second instance which Turner cited involved a more recent proposal for a very sensitive activity which was felt to require a finding before it could be implemented. The proposed activity was so sensitive, however, that neither Turner nor Brzezinski wanted to go through the SCC to obtain a finding because too many people would have become aware of it if that procedure had been followed. Brzezinski informed Turner that he would ask the President if the President would authorize this activity under his "war powers" authority, thus by-passing the SCC. Turner subsequently received a letter from Brzezinski stating that the President had in fact approved this proposed activity under his "war powers" authority. It is unclear whether or not the Attorney General was consulted about this proposal but it appeared that he was not.

Although the President apparently approved the proposal for this sensitive operation, it was never implemented under the "war powers" authority. The SCC subsequently approved a finding that covered this particular activity, as well as others, but it was couched in language sufficiently broad that this activity could not be identified from the finding itself.

Admiral Turner said that he feels the questions of legality and propriety surrounding the second activity are raised not by the nature of the activity itself but by the initial approval procedure.

Senator Gore told Admiral Turner that his interpretation of the reporting obligation, as expressed in the annual report, suggested that he would withhold an activity even on the basis of an instruction from someone other than the President. Turner at first expressed surprise that his language was susceptible to that interpretation, but then confirmed that there could be situations where he might not report an activity on the basis of an intermediary's instruction.

Admiral Turner also stated during the course of the meeting that the President has become much more concerned about security than he was in the early years of his Administration. Turner personally believes that the President is overly concerned because the security precautions are making it difficult for the CIA to coordinate effectively with the State Department.

Admiral Turner apologized about the tone of his annual report letter. With respect to the reporting standard he set forth in the letter, he stated that he was not at all committed to that formulation. Mr. Farmer suggested that the CIA General Counsel and the IOB Counsel could come to a common understanding about the appropriate standard. Adm. Turner also agreed that the IOB should be advised of all legal opinions by the CIA General Counsel's office if the opinions involve "close questions."

With respect to his failure to specify the subordinate officials with whom he consulted in preparing his annual report, he was more ada-

mant. He believes that the IOB's insistence that he specify these officials infringes on his prerogative as a manager. He noted that the Executive Order contains no explicit requirement for annual reports by senior officials in any event. He is willing to accede to the IOB's request for a report on an annual basis but does not intend to detail in his report the manner in which he conducts his review of CIA intelligence activities.

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**104. Memorandum From the Chairman of the Intelligence Oversight Board (Farmer) to President Carter<sup>1</sup>**

Washington, March 13, 1980

SUBJECT

Senior Officials' Reporting Obligation Under Executive Order 12036

A situation has arisen which, if not resolved, could impair the ability of the Intelligence Oversight Board to serve you in accordance with your personal instructions and the terms of Executive Order 12036.

The Executive Order requires senior intelligence agency officials to report to the Intelligence Oversight Board any intelligence activities of their agencies which raise questions of legality or propriety. Yet, in a recent report to the Board, the Director of Central Intelligence informed the Intelligence Oversight Board;

"I do not interpret the Order as requiring that I report to the Board matters that I am persuaded have been brought to the personal attention of the President and that the President has manifested a desire not to disseminate any further. Consequently, this report does not apply to such matters."

In a subsequent meeting with the Board, Admiral Turner confirmed that, on the basis of this interpretation, he did not report two activities which raise questions of legality or propriety.<sup>2</sup> According to Admiral Turner, you approved one of these activities about two years ago at a meeting attended by the Vice President, your National Security Adviser, and the DCI, and instructed that knowledge of the activity be limited to those officials. Admiral Turner stated that there was no reference to the

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Subject File, Box 29, Intelligence Oversight Board, 1/78-12/80. Secret. Carter wrote at the top of the memorandum, "Zbig—Talk to Stan—Give me expeditious advice. J."

<sup>2</sup> See Document 103.



IOB at this meeting but he assumed your instruction precluded reporting the matter to the Board.

However understandable Admiral Turner's assumption might have been, the rationale for his decision not to report this activity had previously been rejected by you in connection with an FBI operation. Early in your Administration then FBI-Director Kelley notified the Board that he was not reporting an activity raising questions of legality and propriety for identical reasons: because you had approved the activity and limited its dissemination to the Attorney General and your National Security Adviser. Nevertheless, you advised the Board that neither of these facts exempted the activity from the reporting requirement and directed that the Board be briefed.

On two occasions you explained to the Board in connection with this FBI activity that you wanted its advice on the serious questions of legality or propriety raised by intelligence activities without regard to prior approval by you.

The Board believes that the considerations underlying your prior decision on the reporting obligation, of which Admiral Turner is presumably unaware, apply equally to the situation he describes. Reporting to the Board does not delay the implementation of intelligence activities, since the IOB is not a part of the approval process, but it ensures that you are provided with a timely opportunity for reassessment in light of questions which may not have been presented by the operational elements of the Intelligence Community. Not reporting such activities, on the other hand, denies you the staffing of the only White House element with oversight but not operational responsibilities for intelligence activities.

The Board's informed yet detached perspective is especially valuable when applied to very closely held activities, since these are the very activities most likely to raise questions of legality and propriety.

#### *Recommendation*

We recommend that the Intelligence Oversight Board be briefed about any intelligence activities raising questions of legality or propriety which Admiral Turner has not already reported to the Board.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_<sup>3</sup>

In addition, the Board requests a meeting with you (a) to discuss the incomplete implementation of Executive Order 12036; and (b) to seek your views on the role of Executive Branch oversight as unwarranted restraints on intelligence activities are removed to permit greater operational flexibility.

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<sup>3</sup> Neither option was selected by Carter.

Significant progress has been made toward implementation of your Order in the two years since you signed it, but important procedures required under the Order have yet to be promulgated. In the absence of new procedures, some intelligence activities are still governed by procedures implemented under President Ford's Executive Order 11905, which was superseded by your Executive Order 12036. This condition has resulted in continuing uncertainty and confusion within the Intelligence Community as well as the undue impairment of operational effectiveness. The continuing failure to approve all procedures under your Order could also adversely affect the Administration's efforts to persuade the Congress to enact acceptable intelligence charters legislation.

With regard to the Executive Branch system of oversight, there are indications that some (though not all) agencies within the Intelligence Community interpret your desire to remove unwarranted restraints on intelligence activities, and your opposition to unqualified Congressional scrutiny of these activities, as evidence of decreased Presidential support for intelligence oversight within the Executive Branch.

The relaxation of substantive restrictions on intelligence activities, however, in no way diminishes the need for effective Executive Branch oversight. As operational restraints are removed, intelligence agents are necessarily required to exercise a wider range of discretion in implementing greater numbers of intelligence operations, thereby increasing the possibility of questionable conduct. Oversight by a staff element without operational responsibility is essential if you are to be kept advised fully of the questions of legality and propriety that such activities raise. Effective oversight within the Executive Branch is also a strong argument for resisting detailed Congressional oversight of intelligence operations.

The Board believes it is important to discuss with you its role in light of the changing perceptions of Executive Branch oversight which have occurred during the 18 months since we last met with you.<sup>4</sup>

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_<sup>5</sup>

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<sup>4</sup> Carter met with the IOB on February 9, 1978 (see footnote 2, Document 85); no record of a later meeting was found.

<sup>5</sup> Neither option was selected by Carter.

**105. Memorandum From Director of Central Intelligence Turner to President Carter<sup>1</sup>**

Washington, March 14, 1980

**SUBJECT**

Senior Officials' Reporting Obligation under Executive Order 12036

**REFERENCE**Chairman, IOB, Memorandum to the President, dated 13 March 1980<sup>2</sup>

The IOB's memorandum sets forth three concerns which are addressed in order:

1. The first centers on a basic issue of whether those intelligence activities for which the President manifests a desire for restricted dissemination in fact apply to the Intelligence Oversight Board.

Since the issuance of Executive Order 12036, the IOB has not been informed of only two activities. While there is no question that it is to the President's advantage for the IOB to examine the legality and propriety of intelligence activities, at the same time it must be recognized that there may be occasions when the level of operational risk demands that the President keep his own counsel.

*Recommendation.* While I am prepared to meet with you to remind you of the circumstances involved in the two activities and to make a determination on whether the IOB can now be briefed, it is my strong opinion that both activities remain extremely sensitive and that further disclosure would be inappropriate at this time.

I propose that in the future when you direct restricted access to intelligence activity that a determination be made on IOB access.

2. The second IOB concern centers on unimplemented Executive Order 12036 procedures. It is well-founded and comes as a result of our prodding. Of the eleven procedures, eight have been implemented and the remaining three—electronic surveillance, FI collection in the U.S., and CI in the U.S.—have been awaiting Justice Department approval since December 1979.

3. Finally, the IOB infers that some agencies perceive your support for oversight within the Executive Branch as decreased. This is based upon the Administration's current effort to remove unwarranted restraints on intelligence activities. The inference is unfounded.

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 98, Intelligence (IOB & NFIB Issues), 1978–1980. Secret.

<sup>2</sup> See Document 104.

On the contrary, the Administration's ability to foster relief and a reduction of reporting constraints is now confidently pursued in large part because of the success of the internal Executive Branch oversight system. Intelligence oversight has not, to the best of my knowledge, nor should be, relaxed if we hope to function effectively.

Stansfield Turner<sup>3</sup>

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<sup>3</sup> Turner signed "Stan Turner" above this typed signature.

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**106. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>**

Washington, March 20, 1980

SUBJECT

Intelligence Oversight Board (U)

Pursuant to your note,<sup>2</sup> I have contacted the DCI with regard to Tom Farmer's memo of March 13 (Tab A).<sup>3</sup> The DCI's reactions to that memorandum are attached at Tab B. (C)<sup>4</sup>

I support the DCI's position on all major issues:

—While the IOB's concerns are understandable, I believe that the DCI should be able to take directly to you particularly sensitive questions of legality or propriety, and that your decisions on the further disposition of such issues should be final. It is important not to have the IOB stand between you and the DCI on highly sensitive matters and your prerogative to resolve such issues in any way you choose should not be impaired.

—The IOB refers to "incomplete implementation of EO 12036 procedures." Three procedures, raising some difficult substantive problems,

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 98, Intelligence (IOB & NFIB Issues), 1978–1980. Secret. Sent for action. Carter wrote at the top of the memorandum, "Zbig. J."

<sup>2</sup> See footnote 1, Document 104.

<sup>3</sup> Not attached, but printed as Document 104.

<sup>4</sup> Not attached, but printed as Document 105.

have been awaiting final clearance from the Attorney General's office for some time. The IOB paper stresses, perhaps overly so, the negative impacts of not having had three procedures formally promulgated. The Attorney General's office indicates that quick action will be taken on the procedures.<sup>5</sup>

—I support the DCI's contention that progress with Congress in modifying reporting procedures for the intelligence community does not imply the need for an intensification of the IOB's role. Executive Branch Oversight is not directly influenced by anything that may or may not be done by Congress. The IOB apparently wishes to expand its oversight functions. There is no need for this, present executive branch oversight systems, including the IOB, are working well. (S)

### RECOMMENDATIONS

1. That you meet with the DCI to review the two cases at issue.

APPROVE \_\_\_\_\_<sup>6</sup> DISAPPROVE \_\_\_\_\_

2. That the IOB be briefed or not briefed on these cases, depending on your review.

APPROVE \_\_\_\_\_<sup>7</sup> DISAPPROVE \_\_\_\_\_

3. That IOB be informed that your decision on such matters is final, but that they have been and will continue to be, fully informed of all but the most exceptional cases which you will adjudicate, often with the aid of the Attorney General.<sup>8</sup>

4. That the Attorney General be instructed to promulgate the unimplemented procedures immediately.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

5. That you tell the IOB that Executive Branch oversight systems, including the IOB, are working well, and need not be modified in reaction to what Congress may, or may not, do.

APPROVE \_\_\_\_\_<sup>9</sup> DISAPPROVE \_\_\_\_\_

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<sup>5</sup> Adjacent to this paragraph, Carter wrote a notation for Brzezinski, "Tell Ben [Civiletti] I want this done this week—by 3/28/80."

<sup>6</sup> Carter checked the "APPROVE" line. Adjacent to this recommendation, Carter wrote, "at next regular meeting w/ Stan."

<sup>7</sup> Carter checked the "APPROVE" line.

<sup>8</sup> Carter wrote "ok" under recommendation 3.

<sup>9</sup> Carter checked the "APPROVE" line under recommendations 4 and 5.

**107. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to the Chairman of the Intelligence Oversight Board (Farmer)<sup>1</sup>**

Washington, March 24, 1980

SUBJECT

Intelligence Oversight Board Procedures (U)

The President has reviewed your March 13, 1980 memo<sup>2</sup> and has reached the following decisions:

—After review with the DCI of the two cases you cite, a decision will be made as to whether or not the IOB should be briefed.

—The IOB has been and will continue to be fully informed of all but the most exceptional cases, which will be decided by the President, often with the aid of the Attorney General. The President's decision will be final in such cases.

—The Attorney General has been instructed to promulgate the unimplemented EO 12036 procedures without delay.

—Executive Branch oversight systems, including the IOB, are working well. These procedures are independent of initiatives to modify Congressional reporting procedures, and should remain so. The IOB should continue to focus on its important role, which is unaffected by what may be accomplished with the Congress. (S)

**Zbigniew Brzezinski**

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<sup>1</sup> Source: National Security Council, Carter Intelligence Files, IOB, 19 March 1979–5 Dec 1980. Secret. Copies were sent to the Director of Central Intelligence and the Attorney General.

<sup>2</sup> See Document 104.

**108. Memorandum From the Chairman of the Intelligence Oversight Board (Farmer) to President Carter<sup>1</sup>**

Washington, May 15, 1980

**SUBJECT**

Issues for IOB Meeting with the President, May 19, 1980

On March 24, 1980, the Intelligence Oversight Board received a memorandum from Dr. Brzezinski (Tab A)<sup>2</sup> in response to the Board's letter to you of March 13, 1980 (Tab B).<sup>3</sup> Dr. Brzezinski's memorandum, copies of which were circulated by the NSC to the CIA and the Justice Department, fundamentally changes the intelligence oversight procedures established by Executive Order 12036.

Under the second paragraph of the NSC memorandum, intelligence activities which intelligence officials believe raise questions of legality or propriety would not be reported to the IOB, as the Executive Order requires, if they fall within the category of "the most exceptional cases." This new category of "exceptional cases" is not defined, although the memorandum indicates that the decision not to report to the Board will "often," but not always, be made with the advice of the Attorney General. The role of the Attorney General is also not defined or described.

We wish to discuss with you the serious damage to the oversight system which, in our view, results from the NSC memorandum, including:

—the serious injury to the Executive Branch oversight system that we believe an exception to the Executive Order reporting requirements would cause;

—the potential embarrassment to the Administration which could result from a secret document that alters reporting procedures mandated by Executive Order; and<sup>4</sup>

—the memorandum's suggestion to the Intelligence Community that the Board no longer enjoys an independent, direct relationship with you.

***I. Damage Resulting from the March 24 NSC Memorandum******A. Serious Injury to the Executive Branch Oversight System***

Executive Order 12036 includes no exceptions to the unambiguous requirement that Intelligence Community officials report to the IOB "any

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Subject File, Box 29, Intelligence Oversight Board, 1/78–12/80. Secret.

<sup>2</sup> Not found attached, but printed as Document 107.

<sup>3</sup> Not found attached, but printed as Document 104.

<sup>4</sup> Adjacent to this paragraph, an unknown hand wrote, "Legal point?"

intelligence activities of their organizations which raise questions of legality or propriety.” A procedure permitting exceptions to the Order’s reporting requirement would prevent the Board from assisting you in a meaningful way. Under such a procedure, the IOB would be unable to ascertain the extent to which agencies are not reporting intelligence activities that raise questions of legality or propriety, thereby compounding the severe difficulties the Board has already experienced with some agencies in attempting to serve you.<sup>5</sup>

If activities raising questions of legality or propriety are not reported to the IOB, you may be denied the assurance that these questions are fully explored and, if serious, presented to you. Members of the NSC as well as the Intelligence Community are under very real institutional pressures to implement intelligence operations they believe are necessary to meet national security requirements. They may neither recognize nor appreciate the significance of the underlying questions of legality or propriety. The members of the Board, on the other hand, are free from such institutional pressures; indeed, the Board’s charter requires that Board members have no operational or employment relationship with the Intelligence Community.

An exception to the reporting requirement would also permit intelligence agencies to control the Board’s access to information the Board deems necessary to carry out its oversight functions. If questionable intelligence activities are excepted from the reporting requirement, requests by the Board for information could be blocked by the assertion that the requested information relates to an excepted activity. The Board would have to accept the agency’s assertion without the independent examination contemplated by the Executive Order since it could not review the denied information in order to determine the validity of the agency’s refusal. Furthermore, because intelligence operations are often inter-connected, information concerning non-excepted activities may be denied by agency operators who feel justified in interpreting the operational scope of the exception more broadly than you intended.<sup>6</sup>

In addition to its effect on the Board’s oversight function, an exception to the reporting requirement of E.O. 12036 would undermine the oversight function of Inspectors General and General Counsel within the intelligence agencies. The Order requires Inspectors General and General Counsel to report any intelligence activities they believe raise a question of legality or propriety.

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<sup>5</sup> An unknown hand underlined the portion of this sentence beginning with “the severe difficulties” to the end. A question mark was written adjacent to the sentence.

<sup>6</sup> An unknown hand wrote “WORST CASE SCENARIO” adjacent to the final sentence of this paragraph.



A system that includes exceptions to the general reporting obligation would require agency oversight officials to report first to their agency head to satisfy themselves that they were not inadvertently reporting an excepted activity.<sup>7</sup> A General Counsel or Inspector General who is instructed not to report an excepted activity would be placed in the position of ignoring the Order's unambiguous reporting obligations without direct knowledge of the operational scope of the exception.<sup>8</sup>

Oversight officials in the agencies could also encounter denials of access to information essential to their oversight responsibilities. Operational personnel within an intelligence agency could limit the access of an Inspector General or General Counsel by claiming that the requested information concerned an excepted activity. There would therefore be no independent examination, by officials outside the operating components, of excepted intelligence activities.

We are convinced that the alteration of the Executive Order reporting requirements, if permitted to stand, would confuse and complicate, if not entirely defeat, the already difficult task of providing effective Executive Branch oversight of intelligence activities, and would create an environment favorable to abuse. Moreover, we question the apparent assumption that such an exception would significantly improve security, citing the record of the Board in this respect.

*B. Variance Between Public and Congressional Expectations and the Actual Operation of the Executive Branch Oversight System*

Dr. Brzezinski's March 24 memorandum modifies Executive Order 12036 by curtailing the reporting obligations the Order imposes on intelligence officials. The Board believes that a secret, internal Executive Branch memorandum from the Assistant for National Security Affairs is an inappropriate method of amending the Order. Neither the Congress nor the public is informed, nor has any reason to assume, that the system of Executive Branch oversight operates in other than strict accordance with the Order's published terms.

The existence of a memorandum which secretly modifies the oversight provisions of E.O. 12036 is therefore a potential source of embarrassment to the Administration. Circulation of the memorandum to

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<sup>7</sup> An unknown hand underlined the portion of this sentence beginning with "require agency oversight" to the end. In the adjacent margin, written in an unknown hand is the notation, "what do they do now?"

<sup>8</sup> Written at the top of the page above this paragraph in an unknown hand are these notations: "'IOB is focused on the past not the future.'" "CIA-IG—On ad hoc matters—may or may not inform DCI—the more obvious the case, the more likely it would be that DCI would be told 'a non-issue.'" "Annual & quarterly reports are sent to DCI by IG on drop-copy basis."

the CIA and the Department of Justice increases the risk of an embarrassing disclosure.

### *C. IOB Relationship with the President*

In both public statements and in statements made privately to the IOB, you have emphasized that the Board reports directly, confidentially, and exclusively to you. A direct channel of communication between the Board and the President, independent of the Intelligence Community or the NSC, is central to the integrity of the oversight function of the Board. Specific experience has proven that the agencies' appreciation of the Board's direct and confidential relationship with you is the keystone of the IOB's ability to gain access to information required to serve you effectively.

We believe that the NSC's issuance and circulation of its March 24 memorandum, unless corrected, will undermine the Intelligence Community's perception of the IOB's relationship with you and, consequently, the capacity of the Board to discharge its oversight responsibilities. The NSC memorandum, written in response to the Board's request for a meeting with you, raised for the first time the fundamental issue of a revision of the Executive Order reporting procedures. However, the staffing did not include the IOB's views on proposed changes to the reporting system or even consultation with the IOB about the consequences of these changes.

The use of the NSC, without IOB involvement, as the staffing mechanism and as an intermediary for communications between you and the Board compromises the independence of the Board from the Intelligence Community and the NSC.<sup>9</sup> Moreover, the failure of the pre-decisional staff memoranda to consider the effect that a modified reporting system would have on oversight officials below the level of the IOB, as noted above, illustrates the problems that will arise if the Board is by-passed and therefore prevented from giving you full and confidential advice on oversight matters, as required by Executive Order 12036.

## *II. Possible Means to Remedy the Damage Resulting from the Dissemination of the March 24 NSC Memorandum*

### *A. Retain and Reaffirm the Executive Order Reporting Requirements*

One option for remedying the damage resulting from the March 24 NSC memorandum is to retain and reaffirm, without exceptions,

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<sup>9</sup> Adjacent to this sentence in the left margin is written in an unknown hand, "President asked for this." The same hand underlined "independence of the Board from" and "the NSC" and wrote adjacent to the sentence in the right margin, "EO puts it subordinate to NSC."

the existing requirements in Executive Order 12036 that intelligence officials report to the IOB *any* intelligence activities raising questions of legality or propriety. This is the only course of action which avoids all of the serious problems discussed above.

Because the NSC memorandum establishing an exception to the reporting requirement has already been circulated, it would be necessary to disavow that memorandum. For this purpose, we have attached a draft letter from you to the heads of intelligence agencies (Tab C)<sup>10</sup> which reaffirms your support of the Executive Branch oversight system, including the Executive Order reporting requirements, without directly referring to the NSC memorandum. Circulation of such a letter would also permit you to disclaim the suggestion of a secret modification of the Executive Order in the event that Congress learns of the NSC memorandum.

*B. Amend Executive Order 12036 to Make the IOB an Advisory Rather than Oversight Board*

Another option would be formal amendment of Executive Order 12036 transforming the Board into an advisory body which considers only matters referred to it by you on an *ad hoc* basis.

While this would reconcile public and Congressional understanding of the Board's role and its actual responsibilities, we do not feel that an IOB with an advisory role would serve a purpose useful to you. It is our firm belief that without an IOB possessing the authorities conferred on it by the Executive Order and the operating prerogatives presently granted by you to the Board, such as direct and confidential access to the President, an effective Executive Branch oversight system will cease to exist.

*Recommendation*

We strongly recommend option A as the only course which would preserve an effective Executive Branch system of intelligence oversight.<sup>11</sup>

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<sup>10</sup> Not found attached.

<sup>11</sup> Carter met with the Intelligence Oversight Board on May 19 from 1:34 to 2:06 p.m. (Carter Library, Presidential Materials, President's Daily Diary) No minutes of the meeting were found.

# 109. Memorandum From the Counsel of the Intelligence Oversight Board (DICK) to the Intelligence Oversight Board<sup>1</sup>

Washington, September 17, 1980

## SUBJECT

IOB Meeting with Admiral Turner

Admiral Turner is scheduled to meet with the Board from 9:30 to 10:30 A.M. today.<sup>2</sup> Admiral Turner requested John McMahon, the Deputy Director for Operations, to attend as well. This meeting was arranged primarily to provide an opportunity for an exchange of views on intelligence and oversight issues generally, rather than as a briefing on any particular topic. The only specific matter which he was advised the Board wanted to discuss with him concerns covert action review and approval procedures. Background information concerning this subject, and other possible subjects of discussion, is set forth below.

## I. Covert Action Review and Approval Procedures

### A. Deficiencies in Current Practice

In its discussions with officials from the agencies involved during the past months, the Board has identified several deficiencies in the current covert action review and approval procedures. These include:

—*Inadequate Inter-Agency Staffing of Covert Action Proposals before SCC Consideration.* Under the Ford Administration's OAG Guidelines,<sup>3</sup> a Special Activities Working Group (SAWG) consisting of senior representatives of SCC principals met to consider all covert action proposals before consideration by the SCC. During the past 18 months, the SAWG has generally been abandoned as unnecessary and too cumbersome. A group consisting of David Aaron, Frank Carlucci, Robert Komer, and David Newsom has been meeting regularly for the past few months to review on-going SCC-approved activities, but they apparently do not consider covert action proposals. Lower level, "technical" inter-agency groups are sometimes called to consider particular covert action proposals on an *ad hoc* basis, but there is no regular inter-agency group that meets to consider all such proposals.

<sup>1</sup> Source: Carter Library, National Security Affairs, Staff Material, President's Intelligence Oversight Board, Box 3, Meeting 9/17/80. Secret.

<sup>2</sup> No minutes of this meeting were found.

<sup>3</sup> The OAG Guidelines were sent under a July 19, 1976, covering memorandum from Scowcroft to Secretary of State Kissinger, Secretary of Defense Rumsfeld, JCS Chairman General Brown, and DCI Bush. (National Security Council, Ford Administration Intelligence Files, Operations Advisory Group (OAG), 30 Jun 1976-Jan 1977)

—*Lack of Timely Distribution of Covert Action Proposals.* The OAG Guidelines required that covert action proposals be distributed to SCC members at least 48 hours in advance of SCC meetings to permit adequate staffing within the member agencies. However, according to several sources (including, recently, Robert Komer) proposals have often been distributed one day or less before SCC meetings. At times they are distributed at the meetings themselves, which provides no opportunity for thoughtful consideration of the proposals by the SCC members.

—*Inability of SCC Members to Review Covert Action Papers Before Submission to the President.* After the SCC has recommended that a proposed covert action be approved, the proposal (or an NSC summary of it), the proposed finding, and the minutes of the SCC meeting recommending approval are submitted to the President. Both State Department and Justice Department officials have indicated that SCC members do not have an opportunity to review the proposal “package” before it is submitted to the President to ensure that the individual views of the members are reflected accurately or that the proposal itself is adequately characterized in accordance with the SCC’s discussion.

—*Inability of SCC Members and Agencies to Review All Covert Action Papers After Approval by the President.* After the President has approved a covert action, SCC principals do have access to the approved finding and minutes at NSC offices. They are not, however, provided with copies to retain in their departments. (One exception is the CIA, which receives copies of signed findings, but even the CIA has had difficulty obtaining copies of the minutes). According to one Justice Department official, the President’s marginal comments on proposal papers are sometimes read back to SCC members by Dr. Brzezinski, but they are not permitted to review the comments themselves.

The Board should explore with Admiral Turner: (a) the current practice with regard to each of the above-described areas; and (b) his views as to whether these areas constitute significant problems for SCC members generally and the CIA specifically. [NOTE: To my knowledge the CIA is not aware of the recent effort made within the State Department to formulate a new set of procedures governing covert action review and approval. This effort is described in a separate memorandum.<sup>4</sup> Unless he indicates that he is aware of it, it may not be advisable to raise it with him, at least with respect to the IOB’s role.]

According to other CIA officials, the inability to review all covert action papers is of particular concern to the Agency. For example, the language of findings originally proposed by the CIA’s Covert Action Staff is sometimes changed by the SCC or the President. If the finding

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<sup>4</sup> Not found. Brackets are in the original.

is changed, it may not track the underlying proposal papers that went forward from the CIA. The Covert Action Staff may therefore be in the position of being asked to implement an activity that differs from the one it originally proposed. Without access to the minutes, however, the Staff cannot adequately determine the basis for the changes. In addition, the CIA General Counsel needs a clear record of what the President actually approved in signing the covert action findings in order to advise operational personnel whether particular actions are permissible under existing findings, or whether a new finding is necessary.

The CIA General Counsel stated that until recently the CIA received only the signed Presidential finding and the proposal papers that originated in the Covert Action Staff but may have been altered by the SCC or President. Beyond these documents, he had to rely on the post-meeting notes of CIA officials who attended the meetings at which the findings were approved, and occasional access to portions of SCC minutes in order to determine whether a particular activity falls within the scope of an existing finding.

In order to more precisely define the limits of the proposed activity, the CIA began a few months ago to prepare "scope papers" to accompany the proposal papers reviewed by the SCC and the President. This paper summarizes the actual operations the CIA plans to undertake if the finding is approved by the President, and describes the projected costs, risks, and other factors which were required to be included in proposal papers under the OAG Guidelines.

In July, I was informed that only one scope paper had actually been seen by the President. The CIA had prepared others, but these had been "intercepted" by the NSC Staff before reaching the President. Unless the papers are seen by the President, they cannot help to define the scope of the activity he actually approved. When the CIA discussed these "interceptions" with the NSC Staff, the staff gave its assurance that it would begin to distribute SCC minutes to the Agency.

One particular matter that could be discussed with Admiral Turner, therefore, is the current status of the "scope paper" procedure. He could also be asked whether the Covert Action Staff and General Counsel have been regularly provided with necessary SCC minutes since the NSC assurance to do so on a regular basis.

In general, the Board should keep in mind that the problems with current covert action review and approval practices have been identified as originating in the NSC Staff, not the CIA. At the staff level, the CIA has attempted to cooperate with other agencies to the maximum extent possible, and has shown considerable sensitivity to complying with SCC and Presidential instructions.

*B. State-CIA Agreement on Proposal Coordination*

At the last Board meeting, it was reported that the State Department and the CIA had recently reached an agreement concerning coordination of covert action proposals between those two agencies during the development stage of the proposals.<sup>5</sup> A copy of this agreement, called "Guidelines for Covert Action Proposals," is attached for reference at Tab A.<sup>6</sup> These guidelines have now been issued internally within CIA and communicated to Ambassadors by the State Department.

The new Guidelines state that it is CIA's "intent to engage in maximum consultation with all interested parties during the development of the proposal, including consultations with the Department of State and the NSC and, as appropriate, other agencies. . . ." With respect to the State Department, these consultations will include the State regional bureau, INR, the Under Secretary for Political Affairs, and (except in "time-urgent situations") Ambassadors. The Guidelines also require CIA to submit covert action proposals and draft findings to the SCC Chairman (the National Security Advisor) at least two business days prior to the SCC meeting at which it will be considered.

These Guidelines should help to remedy most of the State-CIA coordination problems that have arisen in the past. In addition to complimenting Admiral Turner on the guidelines, the Board may wish to ask him how they are working thus far (it may be too early to tell); how they will apply to "appropriate" consultations with agencies other than State; and whether they have been endorsed by the NSC or full SCC.

The Board should also be aware that these new Guidelines do not address such areas of central concern as the inability of SCC members to review covert action papers before or after submission to the President. With respect to the advance distribution of covert action proposals papers before SCC meetings, moreover, these procedures may actually augment the current problem rather than cure it.

*C. Adoption of OAG Guidelines by the SCC*

For the Board's information, a document was recently located in the files of the CIA's Covert Action Staff which I believe confirms the SCC's adoption of the Ford Administration OAG Guidelines. It is a

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<sup>5</sup> Presumably the IOB meeting on June 13. No minutes of this meeting were found. However, the covert action briefing paper distributed prior to the meeting by James Dick to the Intelligence Oversight Board, June 13, is in the Carter Library, National Security Affairs, Staff Material, President's Intelligence Oversight Board, Box 3, Meeting 12/15/1980.

<sup>6</sup> Not found attached.



memorandum, dated January 28, 1977, from Dr. Brzezinski to the DCI,<sup>7</sup> Subject: "SCC Meeting of 26 January 1977." It reads in relevant part:

"The following records for the official record the decisions of the NSC Special Coordination Committee on 26 January 1977 for which you are responsible for implementation."

"The full responsibilities, functions, and procedures of the predecessor Operations Advisory Group (OAG), including provisions that principals are expected to attend meetings, are to be assumed by the SCC. The Attorney General advised that he would report at the next meeting on proposed revisions of E.O. 11905 to implement this decision."

The OAG Guidelines were originally adopted in July 1976 to govern the conduct of OAG business. As noted above, they provided for an inter-agency working group to consider covert action proposals before full SCC consideration; require that proposals be disseminated at least 48 hours before meetings; specify the information which must be included in proposals submitted both to the OAG and to the President, and provide for temporary retention of documents to meet "current needs." They do not address the questions of review of proposal documents before submission to the President, or review of Presidential documents after his approval. These guidelines were supplemented by a separate document entitled "Special Activity Review and Approval Criteria,"<sup>8</sup> which describes the covert activities that must be reviewed by the OAG because they require a Presidential finding or because they involve significant changes in previously approved activities.

The OAG Guidelines and supplemental criteria have been incorporated in internal CIA procedures. It is my understanding that John McMahon is prepared to brief the Board on these and other internal CIA regulations pertaining to covert actions. (Copies of the OAG Guidelines are not included as tabs but will be available for your review at the meeting.)

## *II. Sensitive Collection Review and Approval Procedures*

John McMahon is also apparently prepared to brief the Board on current sensitive collection review and approval procedures. Even if the Board does not wish to re-open this matter at this time, it may be valuable to get an up-date on review and approval practices.

As decided in part by the President last year, the current procedure is as follows: the DCI reports sensitive collection proposals to the SCC Chairman (Dr. Brzezinski) either orally or in writing; the SCC Chairman

<sup>7</sup> Not found.

<sup>8</sup> See Document 80 in *Foreign Relations, 1969–1976*, vol. XXXVIII, Part 2, Organization and Management of Foreign Policy; Public Diplomacy, 1973–1976.



consults with the Secretaries of State and Defense before exercising his discretion to approve the proposals or refer them to the SCC, any SCC member, or to the President for review and approval; and the DCI briefs the SCC annually on ongoing activities which he regards as politically sensitive, with the scope of the review determined by the SCC Chairman.

The Board may wish to ask how many sensitive collection proposals have been submitted in writing rather than orally; how often sensitive collection proposals are referred to the SCC or an SCC member rather than the President; and how long and detailed the annual briefings have been. (According to one account, the entire annual briefing for both on-going covert actions and sensitive collections lasted twenty minutes.)

### III. E.O. 12036 Procedures

All of the Attorney General-approved procedures mandated by E.O. 12036 that apply to the CIA have now been implemented. The CIA General Counsel's Office is sponsoring a continuing series of three-day training sessions with operational personnel to educate CIA employees in the requirements of the new procedures. In addition, the General Counsel's office recently completed a handbook for employees on the 12036 procedures which is both comprehensive and comprehensible. I feel it would be appropriate for the Board to support and encourage activities such as these in its meeting with Admiral Turner.

One question that the Board may wish to pose to Admiral Turner is whether, in his view, any of the 12036 procedures have unduly interfered with operational requirements. If the Board does want to explore this area, it should be aware that the CIA General Counsel's Office recently submitted to the Justice Department a set of proposed revisions to the 12036 procedures. (These are summarized in Item 9 of the Board's briefing book.)<sup>9</sup> These proposed revisions are relatively minor in nature; none would result in a structural change of the current procedures.

### IV. IOB–CIA “Relations”

In general, I have found the CIA officials with whom I have dealt to be very cooperative in terms of providing information, access to information, and copies of documents necessary for the Board's review of particular activities or internal procedures. The primary unresolved issue concerns the reporting of activities raising questions of legality or propriety that also fit the “most exceptional cases” exception contained in Dr. Brzezinski's March 24 memorandum, a copy of which

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<sup>9</sup> Not found.

was sent to the DCI.<sup>10</sup> Even though the resolution of this issue is essentially an internal White House issue, the Board may wish to ask Admiral Turner whether there have been any additional activities that he has not reported to the Board under this exception.

It may also be recalled that Admiral Turner's January 31, 1980, annual report to the Board (Tab B)<sup>11</sup> further interpreted his reporting obligation under E.O. 12036 as limited to activities that he considered to be illegal or improper, and to "any *significant* intelligence activity that raises *serious* issues of legality or propriety. . . ." He also declined to specify the senior officials with whom he consulted in preparing his request.

A clarification of the correct Executive Order reporting standard was contained in a letter sent to Admiral Turner by the IOB Chairman in April (Tab C).<sup>12</sup> As noted in the letter, the CIA General Counsel expressed his agreement with this clarification on Admiral Turner's behalf. (No agreement was reached with respect to the specification of senior officials with whom he consulted in connection with the annual report.) Because the reporting standard clarification was not discussed directly with Admiral Turner, I believe it would not be inappropriate for the Board to reiterate its understanding of the Executive Order standard and confirm that Admiral Turner in fact agrees with the Board's clarification.

## V. APEX/ROYAL

Over the past two years, the CIA and NSC Staff have developed a new security classification program known as "APEX." The APEX system has four components by which access to compartmented intelligence information is controlled. Of these, the highest compartment is labelled "Royal." According to a classified brochure issued by the DCI, Royal material consists of extremely sensitive substantive intelligence information. The brochure states that:

"The highly sensitive and critical nature of the material included in ROYAL dictates that its distribution be severely limited, distinctly selective, and tightly controlled. Departments and agencies originating ROYAL materials will disseminate such material only to specific individuals by name. Personnel authorized to receive ROYAL material will be determined by NFIB Principals or their designated representatives."

<sup>10</sup> See Document 107.

<sup>11</sup> Not found attached, but see Document 103.

<sup>12</sup> Not found attached.

Contrary to some recent press accounts, this system has not yet been implemented. The current target date is January 1981, but it is likely to be pushed back even further.

The Board may wish to discuss with Admiral Turner what consideration was given to the needs of intelligence oversight in developing this system, and specifically, what procedures will exist to ensure that the Board's access to ROYAL-designated documents will not be curtailed.

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## **110. Editorial Note**

On October 14, 1980, President Jimmy Carter signed the Intelligence Authorization Act for Fiscal Year 1981 (S. 2597) into law (P.L. 96–450). The law authorized the appropriation of funds for the intelligence community for the 1981 fiscal year. Additionally, it codified the interaction between the executive branch and Congress regarding covert actions by outlining congressional oversight and reducing the number of congressional committees to receive covert action information from eight to two—the House and Senate intelligence committees.

At the time of signing S. 2597 into law, Carter stated, "In addition to providing funds for a strong intelligence service, S. 2597 also contains legislation that modifies the so-called Hughes-Ryan amendment and establishes, for the first time in statute, a comprehensive system for congressional oversight of intelligence activities. This legislation, which will help to ensure that U.S. intelligence activities are carried out effectively and in a manner that respects individual rights and liberties, was an important part of the comprehensive intelligence charter on which this administration and the Congress have worked for over 2 years. Unfortunately, the press of other legislative matters prevented passage of the charter thus far in this session.

"The oversight legislation that was passed does not seek to alter the respective authorities and responsibilities of the executive and legislative branches, but rather codifies the current practice and relationship that has developed between this administration and the Senate and House intelligence committees over the past 3 years. This intent is evidenced by the language of the bill itself and the legislative history that stands behind it.

"It is noteworthy that in capturing the current practice and relationship, the legislation preserves an important measure of flexibility for the President and the executive branch. It does so not only by recog-

nizing the inherent constitutional authorities of both branches, but by recognizing that there are circumstances in which sensitive information may have to be shared only with a very limited number of executive branch officials, even though the congressional oversight committees are authorized recipients of classified information. Circumstances of this nature have been rare in the past; I would expect them to be rare in the future. The legislation creates the expectation that a sense of care and a spirit of accommodation will continue to prevail in such cases." (*Public Papers: Carter, 1980–81*, Book III, pages 2232–2233)

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**111. Memorandum From President Carter to the Chairman of the Intelligence Oversight Board (Farmer)<sup>1</sup>**

Washington, December 8, 1980

The first conclusion I draw from your report<sup>2</sup> is that the IOB has functioned effectively during my term of office. I am grateful to you and the other members of the Board for all that you have done.

The recommendations in your report in some cases deal with sensitive and complex issues about which opinions are sharply divided. I believe that decisions on these issues should be reserved for the incoming administration to make for itself. I favor continuation of the IOB, and I have been very satisfied with the way it has worked. Whether additional procedures are required is a question that I will leave to my successor.<sup>3</sup>

**Jimmy Carter**

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<sup>1</sup> Source: Carter Library, National Security Affairs, Subject File, Box 29, Intelligence Oversight Board, 1/78–12/80. No classification marking.

<sup>2</sup> The IOB's report to the President, 1977–1980, is in the Carter Library, National Security Affairs, Staff Material, President's Intelligence Oversight Board, Box 3, Matting 11/19/80.

<sup>3</sup> At the bottom of the memorandum, Carter wrote, "Tom—Please express my personal thanks and admiration to other members & staff for their superb work—J."

# Economic Reorganization

## 112. Memorandum From Secretary of the Treasury Blumenthal and the Chairman of the Council of Economic Advisers (Schultze) to President Carter<sup>1</sup>

Washington, February 12, 1977

### SUBJECT

Proposed Organization of an Economic Policy Group

The following proposal outlines our final recommendations on proposed membership, basic structure, and the process for formulating recommendations to you within an Economic Policy Group (EPG).

#### *I. Recommendations for membership*

—That a single cabinet-level committee called the Economic Policy Group be created to help formulate and co-ordinate both domestic and foreign economic policy.

—That the Executive Committee of the group consist of the Secretaries of State, Treasury, Commerce, Labor, HUD, Council of Economic Advisers, the Director of the Office of Management and Budget, and the National Security Adviser.

—That the Vice President be an ex-officio member of the Executive Committee.

—That the Assistant to the President for Domestic Affairs and Policy be an ex-officio member of the Executive Committee.

—That the Secretary to the Cabinet attend all meetings as an ex-officio member, and insure that other members of the Cabinet, as well as the Assistant to the President for Energy, the Ambassador to the United Nations, and the Special Trade Representative, are invited to attend those EPG meetings that deal with issues in which they have a significant interest.

—That the Treasury Secretary and the CEA Chairman would be co-chairmen of the EPG and its Executive Committee.

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<sup>1</sup> Source: Carter Library, White House Central Files, Box FG-95, FG 6-18, 1/20/77-1/20/81. No classification marking. "The President has seen" is typed at the top of the memorandum. Carter wrote, "Mike & Charlie—OK—My only suggestion is that you two alternate chairmanship (monthly or annually) & that staff be assigned to existing entity. Alternative: Let Mike be chairman, & staff work within CEA—Let me have your comments—J."

## II. *Recommended Structure*

—The operation of the EPG should be less rigid than that of the Ford Administration's Economic Policy Board.

Specifically:

1. The EPG should meet weekly, on Monday, rather than four times weekly as the EPB did.

2. A small staff of three professionals and four clerical employees will be assigned from the staffs of the Treasury Department and CEA to assist the co-chairmen in co-ordinating EPG activities. This staff will advise the co-chairmen on the EPG agenda, manage the flow of reports and other paper, enforce deadlines, schedule meetings, and otherwise accept the burden of keeping this operation functioning smoothly.

3. Actual policy analysis will be carried out by groups of staff members and senior deputies from the several agencies involved in the EPG. Most of these groups will be created *ad hoc* to deal with specific problems as they arise. Final recommendations will be formulated by the EPG itself.

NOTE: The staff supporting the EPG would remain on the payrolls of the Treasury Department and the CEA. The General Counsel at the Office of Management and Budget advises that direct funding of the EPG staff would require a new statute. Any request for such a statute would, in our view, open the door for Congress to stipulate in the law the manner in which the EPG should operate. It is possible, but not likely that the appropriations subcommittee which handles Treasury and CEA may not approve the method we have suggested above for providing an EPG staff. (If that happens, the only alternative that averts the need for a new statute and a direct appropriation is to put the EPG staff on the payroll of the White House, probably in the Cabinet Secretary's office.) We are sanguine, however, that the appropriations committees will not object to our proposals.

## III. *Recommended Jurisdiction of an EPG*

—All major economic policy issues should be coordinated through the EPG. In particular, we want to bring together in one place staffing and planning for both domestic and international issues.

A major aim of this proposal is to avoid duplication and competition in international economic policy making between EPG and NSC. Since the National Security Adviser or his economics deputy will serve on the Executive Committee of the EPG, NSC participation in the economic deliberations of that group would be constant. Membership of the EPG co-chairmen and the Director of OMB on the NSC also assures adequate economic input into NSC decisions.

Under this proposal, NSC would continue to be the primary forum for discussion of the political aspects of international economic issues,

through the operations of its Policy Review Committee or its Special Co-Ordinating Committee. NSC routinely will ask EPG to take on the staffing and analysis of international economic issues, however, retaining the option to review EPG recommendations for their political impact before those recommendations are forwarded to you.

An example of how the NSC–EPG arrangements would work in one situation is attached.

### **Attachment<sup>2</sup>**

Washington, undated

#### **Illustration of NSC and EPG Coordination of International Economic Issues**

1) The question of whether or not to hold an Economic Summit Meeting would be addressed in the Policy Review Committee of the NSC since that decision involves substantial political, as well as economic considerations.

2) If PRC decided that an Economic Summit Meeting should be held, staffing of the underlying economic issues for the meeting would be handled through EPG. Staffing on such questions as sterling balance, Italy's economic situation, international commodity policy, debt overhang, etc. would be divided among members of the EPG for appropriate analysis and summary.

3) Once the EPG completed its recommendations, the subject would be returned to the Policy Review Committee before going to the President. If there were some disagreement in the PRC concerning the policy recommendations of EPG, the matter would not go to the President without further discussion in the NSC.

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<sup>2</sup> No classification marking.

**113. Memorandum From the Deputy Special Representative for Trade Negotiations (Wolff) to the Special Representative for Trade Negotiations (Strauss)<sup>1</sup>**

Washington, May 14, 1977

SUBJECT

Government Reorganization and STR<sup>2</sup>

Recent developments have prompted further thinking on government reorganization and the future role of STR. Specifically, (1) the Hungarians have made overtures to us on the possibility of a trade agreement, similar to the U.S.-Romanian agreement,<sup>3</sup> with them; and (2) the U.S. is moving toward commodity agreements on sugar and cotton.

With respect to the first, we have directed the Hungarians towards the State Department (we could co-chair discussions) because STR does not have the personnel or a clear mandate to take the full lead in negotiating a U.S.-Hungarian agreement. On the second, as far as I can tell, the U.S. efforts are in something bordering on disarray. Both issues involve the sort of job that this Office does particularly well and for which we have wide support on the Hill and in the private sector (i.e., balancing in trade negotiations the international interest with the real problems of domestic industry and labor).

I feel that given the adequate staff we could effectively lead U.S. negotiating efforts on trade issues in accordance with the President's expectations. Our leadership would bring a coherence and balance to U.S. policy which is sorely missing. Bureaucrats aside, I think careful consideration should be given to the possibility of consolidating within STR responsibility for all the various aspects of trade policy.

However, a greater STR role in these matters (and other areas of trade policy, which if logic were to dictate, should be consolidated in STR) would require expansion of the Office to the point where we would become something approaching a Department of Trade. This would rule out continuation of STR within the Executive Office of the President and so would have the costs of removing the STR further from a close advisory role to the President.

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<sup>1</sup> Source: National Archives, RG 364, Special Trade Representative, 1977-1979, Box 45, Reorganization, 1977. No classification marking.

<sup>2</sup> Written in an unknown hand at the end of the subject line is, "*The Post Strauss Era* (for the future)."

<sup>3</sup> The U.S.-Romanian trade agreement, signed in April 1975, granted Romania most-favored-nation status. (26 UST 2305)



I am not convinced that we are prepared yet to rationalize trade policy work within the Administration. I do think that the question merits serious review.

A final point—for purposes of our participation in the current effort to develop a reorganization plan for the Executive Office of the President,<sup>4</sup> we should continue to support continuation of STR within the Executive Office of the President somewhat as it is now. Any broadening of STR's role would have to be done in connection with a reorganization of the various Departments (State, Treasury, Commerce, etc.) and that issue has not yet begun to be addressed.

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<sup>4</sup> A reference to P.L. 95–17, Reorganization Act, signed by Carter on April 6. See *Public Papers: Carter, 1977*, Book I, pp. 571–573.

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**114. Memorandum From John Renner of the National Security Council Staff to the President's Assistant for National Security Affairs (Brzezinski) and the Special Representative for Economic Summits (Owen)<sup>1</sup>**

Washington, July 28, 1978

SUBJECT

Organization of the Administration

The making and implementing of US international economic policy is floundering. Policy lines are not clear. Responsibilities are diffuse. Operations are confused. The Administration is not effective in its dealings with the Congress, the public, or foreign governments. Serious criticism of the Administration's way of doing business is pervasive.

This is so primarily because no one below the President is coordinating the Administration's effort, and the President is too busy to get involved in any other than the most important and most pressing issues. The EPG is not effective; it has neither the Presidential backing nor the staff to keep the various Departments in line. Strauss has his

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 59, Administration's Policy/General, 1978. Administratively Confidential. Sent for information.

hands full with the trade negotiations,<sup>2</sup> jaw-boning, and fire-fighting. CEA focuses mainly on macro-economic issues. State is influential on some issues but not on others. The NSC has neither the mandate nor the staff to coordinate international economic policy across the board. DPS frequently involves itself in predominantly international issues but its interests and competence are primarily domestic.

Issues that go to the President for decision frequently are neither rigorously thought through nor systematically presented. The President often is not exposed to the multiplicity of advice and the vigorous exchange of views he needs to make good decisions.

Issues that do not go to the President are resolved either incompletely or not at all. As a consequence infighting is rampant and the Administration moves in many directions simultaneously.

The President deserves better support. I see two types of solutions:

1. The President could designate a Cabinet officer as his principal assistant and spokesman on international economic issues.

2. Or the President could establish an international economic staff in the White House and appoint a director of this staff with the responsibility of coordinating the efforts of the various Departments involved in making and implementing international economic policy.

Either solution could work satisfactorily if the person designated had the President's full support and a small, knowledgeable, and disciplined staff to ensure follow up. Neither would work if these elements were missing.

My preference would be for the second solution. I think the government functions better when operational and staff functions are kept separate. An international economic staff in the White House could devote full time and effort to serving the President without being distracted by the operational responsibilities of a line Department. Also I think this solution would fit better into President Carter's method of operation. He appears to want several contending voices under him and might not be willing to delegate great power to a single spokesman. But I imagine he would welcome the more coordinated effort by his Administration that an international economic staff in the White House would bring about.

I am aware of the fate of previous efforts to improve the economic policy making process and recognize the obstacles that would have to be overcome. Nonetheless, I think that it is essential to try to persuade the President to make fundamental changes in the way international economic policy is made and implemented.

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<sup>2</sup> Reference to the on going Tokyo Round of Multilateral Trade Negotiations under the GATT that began in 1973.

If you agree that we should move in this direction, I will prepare a fuller analysis and present alternatives for the President to consider.

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**115. Memorandum From the Deputy Special Representative for Trade Negotiations (Wolff) to the Special Representative for Trade Negotiations (Strauss)<sup>1</sup>**

Washington, May 7, 1979

SUBJECT

Trade Reorganization

A substantial element in getting the MTN passed will be whether the private sector believes that the U.S. Government will actively enforce the agreements that have been negotiated in the MTN.<sup>2</sup> The major question is how best to organize this effort.

In terms of political perceptions, as well as reality, this country would best be served by consolidating functions into one trade agency. Since it does not appear that creating a new department would have much of a chance now, and since what is needed is really something leaner than a department, it makes sense to pull things together in one tightly managed unit.

This country has suffered too long from having a variety of voices managing trade policy. The lofty ideals of the Ways and Means and Finance Committees in creating an STR were to have the government speak with one voice on trade matters and to unify the negotiating functions for industry, agriculture and labor, with some separation from foreign policy concerns, although not the absence of them. What was missing was the leverage. The STR's ability to negotiate depends upon his relation with the President, because he is without any power base. He cannot influence antidumping and countervailing duty decisions, the use of export controls, the setting of commodity policy, etc. Therefore, he is a negotiator that is deprived of tradeoffs in a way that no foreign negotiator is.

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<sup>1</sup> Source: National Archives, RG 364, Special Trade Representative, 1977–1979, Box 45, Reorganization, 1977. No classification marking. Copies sent to Alonzo L. McDonald and Robert Hormats.

<sup>2</sup> The United States initialed the agreements reached in the Tokyo Round of Multilateral Trade Negotiations on April 12. See *Foreign Relations, 1977–1980*, vol. III, Foreign Economic Policy, Document 209.

When talking to developing countries, if the STR has no say in commodity policy, he has a lesser chance of success in advancing our commercial interests in that country. When talking to the Japanese or Europeans on color TVs or steel, the leverage gained through our unfair trade practice statutes is lodged elsewhere and unusable.

The likely outcome of the reorganization memo that is going to the President is to further weaken the government in the trade area,<sup>3</sup> by assigning further functions such as MTN implementation to the Commerce Department, which has a lack lustre track record. This does not serve any political purpose, nor does it make sense as a matter of giving this country aggressive enforcement of its trade laws. In fact, it is further fragmentation.

What is worse is that the suggestion to just load a number of functions into the Department of Commerce is going to antagonize the agricultural community and organized labor, as well as substantial parts of the business community. We don't need that kind of confrontation in the middle of trying to get consideration of the MTN package.

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<sup>3</sup> See Document 117.

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#### **116. Memorandum From President Carter to the Heads of Executive Departments and Agencies and the White House Staff<sup>1</sup>**

Washington, May 30, 1979

##### **SUBJECT**

The Economic Policy Group and the Coordination of Economic Policymaking

To assure efficient coordination of economic policymaking, the following procedures shall be implemented immediately:

1. Under the direction of the President the Economic Policy Group (EPG) shall be the exclusive vehicle for coordinating the formulation,

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<sup>1</sup> Source: Carter Library, White House Central Files, Box FG-95, FG 6-18, 1/20/77-1/20/81. No classification marking. The memorandum was released on June 1. See *Public Papers: Carter: 1979*, Book I, pp. 977-978.

execution, and presentation of the Administration's domestic and international economic policies.

2. The EPG should normally operate through meetings of its Steering Group, consisting of the Secretary of the Treasury as the Chairman, the Chairman of the Council of Economic Advisers, the Director of the Office of Management and Budget, and the Advisor to the President on Inflation. The Vice President, the Assistant to the President for Domestic Affairs and Policy, and a representative of the National Security Advisor shall participate *ex officio* in all meetings of the Steering Group. The Chairman of the EPG, consulting with the Steering Group, shall invite the participation of other Cabinet-level members of the Administration as appropriate to consider the issues under review. At the Chairman's call, the Steering Group should meet several times a week in the White House.

3. The Secretary of the Treasury, as Chairman of the EPG, is the Administration's chief economic spokesman, and major statements on economic policy by Administration officials should, whenever possible, be reviewed and coordinated by the EPG Steering Group.

4. The EPG Steering Group is responsible for advising the President so that all Presidential-decision memoranda reflect sound economic analysis and accurately relate the options presented to the Administration's overall economic program and priorities. For this purpose:

—The EPG shall have an office in the White House.

—The EPG Steering Group shall have access to decision memoranda—from agencies and from EOP and White House staff units—which involve policy issues having a significant impact on economic variables (e.g., inflation, employment, real growth, productivity, competition, international accounts, etc.).

—The departments, agencies, and Executive Office and White House staffs shall work closely with the EPG to assure the efficient coordination of economic policymaking.

5. These procedures should be implemented without modification of normal Executive Office, domestic policy and legislative clearance processes.

Jimmy Carter

**117. Memorandum From the Director of the Office of Management and Budget (McIntyre) and the Special Representative for Trade Negotiations (Strauss) to President Carter<sup>1</sup>**

Washington, June 20, 1979

SUBJECT

Trade Reorganization

We recommend consolidating policy coordination and negotiations in STR and consolidating operational functions in a renamed and revitalized Department of Trade and Commerce (TAC). In addition, the mandate of the Trade Policy Committee should be broadened substantially and a Trade Negotiation Committee should be created to manage *all* trade negotiations. This arrangement could bring about significant improvement in the management and effectiveness of the Government's trade activities and in our view comes as close as possible to meeting Congressional and private sector desires for organizational change—if a separate trade department is not feasible.

In addition to deciding whether to adopt our basic proposal, you may wish to review the individual transfers—described in the Appendix<sup>2</sup>—that would be involved. We believe that most, if not all, of those changes are necessary to make the reorganization viable and acceptable.

The proposal will provide better accountability at home and abroad, and improved consistency and effectiveness in our dealings with Congress, the private sector, and other governments on trade matters. It would lodge in one Cabinet-level official responsibility for the operational side of most Government trade activities while strengthening current Executive Office leadership over trade policy and negotiations. We would also strengthen the interagency trade policy process that assures that different perspectives are represented and that the political considerations are adequately assessed. Finally, this plan provides for an overhaul of industrial analysis capabilities in the renamed Trade and Commerce Department. Better analysis is needed to monitor and anticipate trade problems in particular sectors and to analyze these problems and conflicts among trade and other government policies that impact on such sectors. This would be a positive factor with the

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<sup>1</sup> Source: National Archives, RG 364, Special Trade Representative, 1977–1979, Box 45, Reorganization, 1977. No classification marking. Wolff initialed the memorandum on Strauss's behalf. An unknown hand initialed the memorandum on McIntyre's behalf.

<sup>2</sup> Attached but not printed.

business community and would correct serious defects in the existing government organization.

There are negative aspects to this proposal, as there are to all of the other options. On balance, though, this appears to be the best viable, sensible alternative.

### *BACKGROUND*

Major U.S. trade functions are located in a number of agencies (Exhibit I).<sup>3</sup> The Special Trade Representative (STR) has a lead role in the trade agreements program, but many trade issues are handled elsewhere. In most instances trade is not the principal concern of agencies where trade functions are located. Our recent trade difficulties and—currently—the submission of the multilateral trade negotiations (MTN) package to the Congress<sup>4</sup> have heightened public interest in trade and brought demands for changes in our trade organization.

Although the U.S. is the only major industrial nation without a Cabinet-level trade department, organization is not the primary cause of our trade problems. Rather, such competitive disadvantages as higher-cost labor, inefficient facilities, lagging productivity, changing market demands, the attractiveness of the U.S. market, and legal and policy disincentives (e.g., antitrust, minimum wage, tax incentives, concerns for human rights, the environment, and national security) hamper U.S. industries' efforts to meet foreign competition. Further, some critics of current trade organization seek to move functions in the hope that the new setting will give their concerns a more sympathetic hearing.

On the other hand, reorganization should ameliorate some of the problems and would afford higher priority to trade. Also, with the MTN agreement awaiting approval in Congress, it is important now to signal the Government's commitment to tough enforcement of the new trade codes in the agreement. There is growing pressure from the Congress and from business to reorganize in the trade area; if we do not act, Congress probably will enact its own version of reorganization, possibly by creating a separate, additional trade department.

### *POLITICAL ASSESSMENT*

#### *Interest Groups*

We have consulted intensively with the three major constituencies of trade reorganization—business, labor, and agriculture.

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<sup>3</sup> Attached but not printed.

<sup>4</sup> Carter sent the MTN agreements and implementing legislation to Congress for approval on June 19. For his transmittal message, see *Public Papers: Carter: 1979*, Book I, pp. 1092–1094.

*Business.* Business groups are primarily concerned about implementation of the MTN agreement. Groups like the Business Roundtable, Chamber of Commerce and Emergency Committee for American Trade (representing about 50 top multinationals on trade matters), as well as the leadership of such major trading industries as aerospace and chemicals, are firmly committed to a strong STR-like entity with policy coordination and negotiation responsibilities. Most business groups would agree with moving countervailing duties and dumping functions out of Treasury. Some also feel strongly that STR should have these enforcement responsibilities, a step we have not recommended. Business groups profess interest in upgrading the Commerce Department, and therefore also support the Commerce enhancements recommended herein. The NAM stands out as the one business group still strongly dedicated to a separate trade department or a Commerce-based trade department having the policy and negotiation functions we have proposed for STR.

While agreeable to the reorganization we are recommending, business groups other than NAM would likely support an independent trade agency built around STR if this became viable on the Hill.

*Labor.* The AFL-CIO is primarily concerned that enforcement of trade statutes and agreements be kept separate from trade negotiations. They fear a tendency for a negotiator to compromise on matters of compliance to achieve other trade goals. Labor also sees benefits to a stronger sectoral analysis capability in Commerce—a capability they expect will lead to greater sensitivity to domestic opportunities for industrial growth and to domestic impacts of imports. For these reasons, labor would support the recommended proposal, which both separates negotiation from enforcement and strengthens Commerce's industry analysis capacity.

*Agriculture.* Farm groups are chiefly worried that agricultural concerns be fairly treated vis-a-vis industrial, international political and other perspectives when it comes to trade policy-making and negotiating. For this reason, they are perhaps the strongest proponents of a "neutral broker" role being played by STR with respect to policy and negotiation. They would be stridently opposed to these two functions being placed in a Trade and Commerce Department, but have no objection to the enhancements of Commerce we are recommending.

Like business, however, agriculture probably would support an independent trade agency if that became viable on the Hill.

There are some nuances in interest group positions on the particular transfers proposed. Those most politically noteworthy are reported in appropriate discussion in the Appendix.

### *Congressional*

There is significant support for trade reorganization in the Senate. Majority Leader Byrd, as well as Senators Ribicoff and Roth are active



supporters of a separate Department of Trade (see Exhibit II).<sup>5</sup> In the House, there is less active support for reorganization. However, as the MTN legislation has moved forward in the House, interest in reorganization has grown. Congressmen Jones of Oklahoma and Frenzel have announced that they will introduce a trade reorganization bill that is similar to our recommendation (see Exhibit II).

In both bodies, there is dissatisfaction with the current operation of certain trade programs—primarily countervailing duties (CVD), antidumping, and commercial officers.

There is a divergence of views among House and Senate members on whether Commerce is a suitable base upon which to build a Department of Trade. There is also dissatisfaction with the way Commerce programs are now run. Senators Byrd and Roth prefer an individual trade agency to the use of Commerce as a base. Congressmen Bingham and Brooks oppose an enhancement of Commerce, although it is not a firmly held view.

Congressmen Jones, Frenzel and Bingham share the view that STR should be preserved and enhanced. Most Senators support moving STR to a new trade agency. Senator Long on the other hand prefers to leave STR within the EOP.

One comment is in order here. Trade interest groups have not yet been very active on the Hill on trade reorganization. Once hearings begin and lobbying pressure intensifies, many Congressmen may shift their views. Very few Congressmen have hardened positions on this issue yet, other than a general feeling that something substantial must be done.

## RECOMMENDATION

### *Discussion*

We recommend that STR be made the principal locus for trade policy coordination and negotiation, and that Commerce (renamed Trade and Commerce) become the principal locus for operational trade functions. Further, we suggest that the mandate of the interagency Trade Policy Committee (TPC) be broadened substantially and that a new Trade Negotiating Committee to coordinate trade negotiations be created.

STR would remain in the Executive Office, remain a Cabinet member, continue to chair the TPC, and become a member of the National Advisory Committee on International Monetary and Financial Policies (NAC). With a staff at or slightly exceeding its current level of 59, STR (renamed Office of the U.S. Trade Representative) would assume responsibility for:

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<sup>5</sup> Attached but not printed.

- Trade policy coordination (both industrial and agricultural).
- The lead role in trade negotiations, including commodity negotiations, East-West trade, and MTN-related negotiations (including GATT representation). To ensure that all negotiations are handled consistently and that our negotiating leverage is used to the maximum extent feasible, a new trade negotiating committee, directed by STR and including State, Agriculture, and Trade and Commerce (TAC), will be created to manage such activities. The committee will be responsible for negotiation of particular issues and will coordinate the operational aspects of those negotiations. The TPC would continue to develop basic U.S. negotiating objectives.

STR would continue to have the lead policy role with respect to *discretionary* trade relief functions (escape clause, Section 301,<sup>6</sup> and market disruption).

The Commerce Department would be altered as follows:

- Its name would be changed to Trade and Commerce (TAC).
- A post of Under Secretary for Trade would be created.
- Import relief functions would be transferred from Treasury (anti-dumping, countervailing duties, embargoes, national security trade investigations), the International Trade Commission (unfair import practices under Section 337 of the Trade Act of 1930<sup>7</sup>), and STR (staffing for Section 301 non-agricultural unfair trade practice cases).<sup>8</sup>
  - The TAC Secretary would become Chair of the Board of the Export-Import Bank.
  - Commercial representation responsibilities would be transferred from State.
  - MTN implementation support, insofar as it relates to nonagricultural matters, would be located in TAC. (Agricultural matters would go to Agriculture.)
  - Commerce/TAC, especially sectoral analysis capability in the Industry and Trade Administration, would be upgraded.

The TPC would add the following to its coordinating responsibilities:<sup>9</sup>

- Import relief policy (including antidumping and countervailing duties, to the extent legally permissible).
- Energy trade issues.

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<sup>6</sup> Section 301 of the Trade Act of 1974 (P.L. 93-618) deals with the U.S. response to unfair foreign trading practices.

<sup>7</sup> Reference should be to the Tariff Act of 1930, also known as the Smoot-Hawley Tariff Act, P.L. 71-361.

<sup>8</sup> Agricultural aspects of staffing on Section 301 unfair trade practice cases would go to Agriculture. [Footnote is in the original.]

<sup>9</sup> STR recommends that export credit policy be added to the TPC, while OMB believes this policy oversight should continue with the current interagency National Advisory Committee. Page 16 of the Appendix seeks a decision. [Footnote is in the original.]

- East-West trade policy, replacing the inactive East-West Foreign Trade Board.
- International investment policy.
- International commodity negotiations.

Our proposal has the following pros and cons:

*Pros:*

- Retains and further consolidates trade policy leadership in the Executive Office.
- Consolidates trade negotiation leadership in one place.
- Strengthens Commerce Department.
- Separates negotiation from “non-discretionary” enforcement (labor insists that this be done).
- Acceptable to business, labor and agricultural interests.
- Will satisfy many in the Congress, with less risk of escalation into a department than the State-Treasury option.
- Creates no new agencies or boards.

*Cons:*

- Senate may object to the absence of a single trade leader.
- Places operational responsibilities in Commerce, an agency perceived by many as weak.
- While acceptable to most of the business community, NAM may oppose.
- Movement of some import relief functions to Commerce, while likely to be popular on the Hill and among business and labor groups, may be viewed by some as leading to a protectionist bias.

We believe that this proposal is by far the most acceptable to the relevant interest groups and that it has a good chance to succeed on the Hill (it is similar to the approach taken by Congressmen Jones and Frenzel). We gave serious consideration to four other options, but rejected each:

*Option 1.* A Department of Trade and Commerce including not only the functions listed above, but also negotiating responsibilities and the chairmanship of the TPC. A trade department probably would have a very difficult time coordinating among such powerful peers as State and Treasury. Also, this approach, which is similar to that proposed in the Roth-Ribicoff<sup>10</sup> and Byrd bills,<sup>11</sup> would meet very strong

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<sup>10</sup> A reference to the International Trade and Investment Reorganization Act, S. 1990 (95th Congress).

<sup>11</sup> A reference to the Department of International Trade Act, S. 891 (96th Congress).

opposition from agricultural interests fearful of incorporation into an entity perceived as industry-oriented.

*Option 2.* A new trade agency, outside the Executive Office and headed by a Special Trade Representative who would also retain his Executive Office hat. This agency would include most of the functions listed above and probably would be well received on the Hill; indeed, the Congress might build substantially upon it and thus present us with a sizeable new bureaucracy, perhaps even an additional Cabinet department. Further, the AFL-CIO, which is dissatisfied with STR and believes that import relief should be separated from negotiating responsibility, would oppose this option.

*Option 3.* Establishment of a U.S. Export Corporation, with two subsidiary corporations, reporting to the Trade Policy Committee. This option is described in detail in the attached State/Treasury memorandum<sup>12</sup> and is their preferred option.

*Pro:*

- Could be sold as a novel and creative approach to address our export problems.

*Cons:*

- Creates two additional units of government.
- Proposal for two corporation boards (one mixed and one full time government) reporting to a corporate shell and then through an interagency committee and the STR to you, creates a cumbersome bureaucratic control system.
- Does not consolidate trade and trade related negotiations and policy coordination.
- Does not address the most widespread and deeply felt political problems of trade reorganization—the intense Congressional and private sector interest in moving Treasury’s antidumping and countervailing duties.
- Strips Commerce of its major trade program and resources.
- Export promotion alone does not satisfy most business and Congressional concerns.

*Option 4.* An STR supervising two new agencies outside the EOP: a U.S. Trade Policy Administration containing some negotiation, most important relief and MTN follow-up coordination, *and* the U.S. Export Corporation discussed in Option 3 above. This option, which is described in the attached State/Treasury memorandum, has the following pros and cons. We believe the disadvantages far outweigh the advantages.

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<sup>12</sup> Not attached, but printed as Document 118.

*Pros:*

- Comes close to creating a single trade spokesperson and leader, if STR can control two non-Executive Office agencies (one headed by his “deputy,” the other by a “deputy” and two boards).
- Builds on STR, which has a good reputation among big business and agriculture (but not with the AFL–CIO).
- Gives the enforcement “stick” to our chief trade negotiator (wanted by many business groups).
- May be perceived by Congress as a bolder initiative signalling greater real change than our recommendation.
- Appears to give a new thrust to export promotion programs.
- Satisfies Congressional interest in moving Treasury import relief.

*Cons:*

- Creates two new agencies and one new board.
- Proposal for two mixed government/private Boards reporting to a corporation reporting to the Executive Office (through an interagency committee), creates a complicated bureaucratic control system.
- If STR controls the U.S. Export Corporation, which is geared to promoting industrial exports, some agricultural groups are concerned that STR may over-emphasize industrial export interests, thus compromising its neutral broker role. Conversely, if STR cannot successfully control the non-EOP agencies, this proposal takes trade almost entirely out of the Executive Office and creates two trade leaders instead of one.
- The AFL–CIO will strongly oppose placing enforcement responsibilities in STR.
- These new trade agencies may be transformed into another Cabinet department in the course of Congressional consideration.
- Eliminates the most promising mission we could develop to revitalize the Department of Commerce and, in fact, weakens Commerce.
- Does not bring international investment policy or energy trade policy under the TPC.

*Decision*

- \_\_\_\_\_ As recommended by OMB/STR.
- \_\_\_\_\_ As recommended, except for the units expressly excluded in the Appendix.
- \_\_\_\_\_ OMB/STR recommendation not acceptable; decision indicated in Treasury/State memorandum<sup>13</sup>

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<sup>13</sup> None of the options was selected by Carter.

# 118. Memorandum From Secretary of State Vance and Secretary of the Treasury Blumenthal to President Carter<sup>1</sup>

Washington, June 21, 1979

SUBJECT

TRADE REORGANIZATION

## BACKGROUND

Function follows form. The organization of our trade policy apparatus will shape that policy for years to come.

In broad outline, OMB recommends that you: (1) concentrate all operational trade responsibilities in one agency—the Commerce Department; and (2) centralize all trade policy and negotiating authority within the Office of the Special Trade Representative.<sup>2</sup> The first recommendation invites two criticisms:

- The proposal shifts responsibility for administering all import relief mechanisms into one agency. In the best of circumstances that agency would come under a protectionist siege. But the OMB proposal places all administrative responsibility in an agency—Commerce—with a proven inability to resist protectionist forces. This shift in administrative responsibility foreordains a slide into protectionism thereby building an inflationary bias into our trade policy.

- We must make a determined effort to increase our exports, both by overcoming inertia in the private sector and by removing disincentives created by government. Otherwise we will be forced to rely on tight money, slow growth and unemployment to safeguard the dollar. To avoid this dilemma, we need a fresh and energetic approach to our export promotion efforts. We cannot rely on the Commerce Department which has long employed the largest trade bureaucracy in Washington with the least enviable track record. Shifting additional export responsibilities—such as the highly regarded Export-Import Bank—to the Commerce Department will be seen as building on weakness, not strength.

In light of these criticisms, we suggest two quite different approaches. Our preferred approach, Option 1, would not disturb the administration of import relief functions. Rather, trade reorganization energies would be channeled where they are most needed—into a lively new organization designed to energize our export promotion efforts.

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 90, Economics/International, 1979. No classification marking.

<sup>2</sup> See Document 117.

Our fallback approach, Option 2, is offered in the event you believe that the political case for reorganizing import relief functions has now become overwhelming. In that event, the trade interests of the nation would best be served by concentrating import relief functions in a non-constituent agency, reporting to the Special Trade Representative who, with an extremely small staff, would continue to be located in the Executive Office and would remain responsive to a senior policy board composed of Cabinet members.

The attached charts illustrate Options 1 and 2.<sup>3</sup> Both options involve little or no net expansion of government personnel; in both cases the major components are drawn from existing staff.

#### *OPTION 1*

##### *U.S. Export Corporation*

To provide for more effective export promotion, a new U.S. Export Corporation building on the existing Eximbank would be established outside the Executive Office. It would have two arms: a U.S. Export Service responsible for export promotion activities and the Eximbank responsible for official export financing. The senior executive of both arms would be the President of the U.S. Export Corporation. The U.S. Export Service would have a mixed government/private sector board of directors. The Eximbank Board would remain as it is now constituted. The corporation would receive policy guidance from and report to you through the Trade Policy Committee which would continue to be chaired by your Special Trade Representative.

##### *U.S. Export Service*

The U.S. Export Service would be responsible for the full range of export promotion activities: commercial centers overseas, trade fairs, market research, trade missions and business services. Its overseas personnel would assume the purely commercial functions and services now provided by our embassies. The staff would be drawn from the private sector and from the State Department commercial attaches (about 100). These staffs would operate out of business-oriented offices separate from the distractions of embassy life but under the authority of the ambassadors.

The Export Service would use the existing Commerce field offices to reach businesses across the country.

The necessary Washington and field staff would be transferred from Commerce to the Export Corporation.

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<sup>3</sup> Attached but not printed.

An Office of Special Projects would be established in the Export Service's headquarters to handle large overseas projects that involve purchases of a broad spectrum of goods and services and require penetration through layers of government regulation here and abroad. Export project managers would be appointed to assist U.S. firms in competing for these projects.

#### *Eximbank*

No change is proposed in Eximbank's operating procedures, or the composition of its Board of Directors. The Eximbank would continue to respond to the broad policy guidance of an interagency export finance group chaired by the Treasury.

#### *Administration of Import Relief*

Under Option 1, the existing administration of import relief cases would not be disturbed. The present pattern of administrative responsibility means that there is no single agency that can easily be co-opted by those seeking relief. Thus, STR would continue to coordinate policy advice to the President on escape clause cases, and handle the investigation of unfair trade practice cases. Treasury would continue to administer national security cases and countervailing and antidumping duty cases. These last-named cases are the most contentious aspect of the whole reorganization debate.

Much of the frustration directed at Treasury's handling of countervailing and antidumping cases reflects discontent, first, that Treasury has not always sided with those seeking relief, and second, that administrative procedures are too slow.

If the antidumping and countervailing duty laws are fairly administered, some petitioners will always go away empty-handed. But Treasury has taken steps to speed up the administrative process: significantly more personnel are now budgeted to handle the case load. Moreover, the new law imposes considerably shortened time deadlines.<sup>4</sup> Thus, in our judgment, discontent with Treasury's performance will soon decline.

Meanwhile, a strong argument can be made for leaving the administration of these cases in Treasury. More than 80 percent of the workload is handled by the Customs Service, with policy direction and final decisions supplied by a small corps of Treasury officials. The Customs officers assigned to these cases also handle regular Customs work. Significant management inefficiencies would arise if transfer of the Customs officers caused them to concentrate solely on the uneven flow

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<sup>4</sup> Presumably a reference to S. 1376, Trade Agreements Act of 1979, signed into law on July 26 as P.L. 96-39.



of countervailing and antidumping cases. On the other hand, if policy guidance were shifted out of Treasury, and if the Customs officers were not also transferred, other management inefficiencies would arise from the problems of coordination between two different agencies.

### *Trade Negotiations*

Under all options, including those offered by OMB, the conduct of trade negotiations would remain under the STR. Recent successful completion of the MTN indicates that policy formulation for and conduct of trade negotiations is highly satisfactory under the present system.

### *OPTION 2*

We recommend Option 2 if you believe that a drastic reorganization of our trade apparatus is required. The approach we offer would consist of both a U.S. Trade Policy Administration to formulate, negotiate and administer trade policy and the U.S. Export Corporation outlined in Option 1. These two organizations would be located outside the Executive Office and would report to the STR through two Deputy STRs. Both organizations would be staffed by existing personnel drawn from STR, State, Treasury, and Commerce.

#### *U.S. Trade Policy Administration*

A U.S. Trade Policy Administration (USTPA) would be established outside the Executive Office. It would be headed by an Administrator who would be a Deputy STR with ambassadorial rank. The USTPA would assume all current operational functions of the Office of the Special Trade Representative, plus responsibility for implementing U.S. trade agreements and for administering the antidumping and countervailing duty statutes.

Our preferred approach would leave antidumping and countervailing duty cases in the Treasury. But if political considerations dictate that this administration must be shifted, we think it is vital that the administration not be shifted to a constituency agency—the Commerce Department. Rather, these cases should be handled by an independent administration, free of protectionist bias, reporting to the STR in the Executive Office and to a broad-based Trade Policy Board (TPB).

The Trade Policy Administrator's responsibilities would also include: interagency coordination; trade and textile negotiations; liaison with private sector advisory groups; monitoring compliance and enforcement of U.S. rights under MTN codes; implementing Sections 201 (escape clause) and 301 and 337 (unfair trade practices) of the Trade Act of 1974; and representing the United States in meetings of the GATT.

The staff would include the present STR plus existing staff drawn from Treasury to administer antidumping and countervailing duty statutes.

#### *U.S. Export Corporation*

As in Option 1, this option also contemplates a new U.S. Export Corporation, built around the existing Eximbank. The only difference is that, in Option 2, the President of the U.S. Export Corporation would be a Deputy STR with ambassadorial rank, reporting to the STR.

#### *FUNCTIONS NOT INCLUDED IN REORGANIZATION*

Neither the mood of the country nor good policy demand that all trade activities be combined into one agency. To do so would create a vast and cumbersome bureaucracy. Both Options 1 and 2 leave many functions where they are.

#### *Agriculture Department*

The export promotion activities of the *Foreign Agricultural Service* and the *Commodity Credit Corporation* are effective and enjoy support from Congress and the public. They should not be moved from Agriculture. Agricultural trade negotiations would continue to be conducted by the STR. The Commodity Credit Corporation would receive general policy guidance from the TPB and more specialized guidance from an export finance subgroup.

#### *State Department*

Lead responsibility for *commodity policy and negotiations* remains in State since these matters are the political heart of the North-South dialogue. *East-West trade negotiations*, jointly managed by State and Treasury and now in a delicate stage with active normalization of economic relations with China and Russia, remain at the discretion of the President.

#### *Commerce Department*

The technical issues involved in *export control* are best handled by the industry experts at Commerce. *Industry analysis*, a central interest of Commerce which deserves greater attention, remains in that department. *Trade adjustment assistance* responsibilities and *administration of the textile program* both benefit from the industry expertise of Commerce and should remain there.

#### *Treasury Department*

*Investment policy* revolves around financial and tax issues of primary concern to Treasury. *Foreign assets control* primarily involves financial and enforcement questions, not trade issues.

*EVALUATION*

Option 1 best responds to the real needs of the nation: an energetic export drive, not a concentration of import relief under one roof. If you give this approach your strong endorsement, we believe that we can gain the support of the country and the Congress.

The approach outlined in Option 2 would guard against a protectionist tilt in the administration of import relief actions, safeguard our international economic interests, and—most importantly—lay the groundwork for an energetic export drive. The approach would be warmly received by the Congress and by business.

Three important objections can be raised against these options. First, they do not answer Labor's devout desire to design a more restrictive trade apparatus. Second, they would not serve as a vehicle for bolstering the Commerce Department. (Indeed, Commerce, like Treasury and State, would contribute substantial staff to the new apparatus.) Third, these approaches might be derided as government proliferation, even though (like the OMB approach) they merely reorganize existing units and add few, if any, new government personnel.

We think these various objections must yield to far more weighty national policy goals—an aggressive export drive integrated into a coherent and liberally-oriented trade policy.

OPTION 1: Create a new U.S. Export Corporation building on the existing Eximbank. Leave trade policy coordination, trade negotiation, and countervailing and antidumping responsibilities where they are.

Recommended by: State and Treasury

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

OPTION 2: In addition to the new U.S. Export Corporation, create a new U.S. Trade Policy Administration under the direction of STR and a reconstituted Trade Policy Board, both of which remain in the Executive Office.

Acceptable to: State and Treasury

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_<sup>5</sup>

**Cyrus R. Vance**  
*Secretary of State*

**W. Michael Blumenthal**  
*Secretary of the Treasury*<sup>6</sup>

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<sup>5</sup> Neither of the options was selected by Carter.

<sup>6</sup> Vance signed "Cy" and Blumenthal signed "Mike" above these typed signatures.

**119. Memorandum From the Under Secretary of State for Management (Read) to All Assistant Secretaries and Office Heads<sup>1</sup>**

Washington, September 28, 1979

SUBJECT

International Trade Reorganization

Reorganization Plan No. 3 of 1979, entitled "Reorganization of Functions Relating to International Trade" (attached),<sup>2</sup> was transmitted to the Congress by the President on September 24 with an accompanying Presidential message (attached)<sup>3</sup> in response to a directive contained in the Trade Agreements Act of 1979<sup>4</sup> calling for a proposal to restructure the international trade functions of the Executive Branch.

The announced goal of the reorganization is "to improve the capacity of the Government to strengthen the export performance of United States industry and to assure fair international trade practices, taking into account the interests of all elements of the economy."

The proposal (1) places enhanced trade policy coordination and negotiation responsibilities in the Office of the United States Trade Representative (USTR) as successor to the Special Trade Representative (STR), and (2) transfers to the Department of Commerce from State and Treasury consolidated "general operational responsibility for major non-agricultural international trade functions of the USG, including export development, commercial representation abroad, the administration of the antidumping and countervailing duty laws, export controls, trade adjustment assistance to firms and communities, research and analysis, and monitoring compliance with international trade agreements to which the U.S. is a party."

*Export Promotion and Commercial Functions*

The Presidential message and the September 26 State-Commerce Memorandum of Understanding (attached)<sup>5</sup> make clear that the transfer from State to Commerce will involve: (1) all (162) full-time American overseas trade promotion and commercial positions; (2) responsibility

<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 10, Chron September 28-October 1, 1979. No classification marking.

<sup>2</sup> Attached but not printed. For the text of Reorganization Plan No. 3 of 1979 and the President's message to Congress, see *Public Papers: Carter, 1979*, Book II, pp. 1729-1738.

<sup>3</sup> Attached but not printed.

<sup>4</sup> P.L. 96-39.

<sup>5</sup> Attached but not printed.

for the commercial representation function in the countries (66) where such positions now exist or may be shifted to, or where any other full-time positions which Commerce may be authorized to provide are established in the future; and (3) the Foreign Service National employee positions, variously estimated to number 481–494, in which employees devote seventy percent or more of their time to commercial representation work.

In addition OMB may levy on State a requirement to transfer to Commerce a small number of domestic American positions which are determined to support the functions being transferred, but there is no agreement on the number of positions or criteria to be used in making such determination. (When the Bureau of Educational and Cultural Affairs with more than 200 positions was transferred to the USICA in 1978, five support positions were determined by OMB to move with the functions transferred.)

No other Department of State positions will be transferred to the Department of Commerce under this part of the reorganization proposal now or in the future.

The Department of Commerce will use the positions it receives by transfer and others it may decide to allocate to establish a Foreign Commercial Service (FCS). Under the reorganization plan the President authorizes the Secretary of Commerce to utilize the Foreign Service personnel authorities under existing law, or as revised by the pending Foreign Service bill, to set up the FCS personnel system. This will facilitate transfers to the FCS by Foreign Service personnel who are invited and elect to do so and details of other Foreign Service personnel on a rotational basis.

As indicated in the Memorandum of Understanding, Commerce has agreed that all American incumbents of the positions to be transferred may complete their scheduled tours of duty and may be offered additional tours thereafter. Furthermore Commerce has agreed to accept details by State into FCS positions of a minimum of 105 Foreign Service Officers in the first year of the FCS; 90 in the second year; 75 in the third and 60 in the fourth year. Included in these minimums will be Foreign Service Officers who were invited and elected to join the FCS. Higher levels may be maintained during this four year period if mutually advantageous to both Departments.

In addition the existing personnel interchange agreement may cover or be amended to cover other positions in the United States and abroad, and efforts will be made to carry it out on a reciprocal basis.

At the end of four years the two agencies will evaluate their experience and develop arrangements for ongoing exchanges at agreed levels.

The last two sections of the Memorandum of Understanding specify the role of each Department in assignments, administrative support,

communications, diplomatic status/privileges/titles, benefits and other operational aspects of the Foreign Commercial Service and its relationship to the Department of State and Chiefs of Mission.

### *Trade Functions*

The Reorganization Plan gives the United States Trade Representative primary responsibility, with the advice of the expanded inter-agency Trade Policy Committee (TPC), for developing and for coordinating the implementation of United States international trade policy, including commodity matters and, to the extent they are related to international trade policy, direct investment matters. USTR will have the lead responsibility for the conduct of international trade and commodity negotiations and, with the advice of the TPC, will issue policy guidance with respect to a broad range of international trade issues, including matters concerning GATT; the expansion of United States exports; policy research on trade, commodity, and direct investment matters; unfair trade practices; bilateral trade and commodity issues, including East-West trade; and international trade issues involving energy.

Under the Plan, USTR will represent the United States in "matters concerning the GATT, including implementation of the trade agreements" resulting from the MTN legislation, and for this purpose, will have a "limited number of permanent staff in Geneva." The Presidential Message states that in addition "it may be necessary to assign a small number of USTR staff abroad to assist in oversight of MTN enforcement."

An Executive Order will be issued in the next few days relating to "GATT Representation."<sup>6</sup> An Executive Order on "International Trade Functions" will be issued subsequently before the proposed Reorganization Plan goes into effect.<sup>7</sup> Secretary Vance is pressing for early clarifications and revisions of the latter Executive Order to cover several points which are not dealt with or are unclear in the Plan. The Department and STR will attempt to resolve separately other issues relating to working arrangements.

At a preliminary stage in the development of the reorganization proposal, it was suggested that approximately 15 State positions in the Bureau of Economic and Business Affairs and our Mission in Geneva be transferred to the USTR to carry out the Trade Representative's added functions under the Plan. The Department has expressed strong opposition to any such transfers.

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<sup>6</sup> No such executive order was issued.

<sup>7</sup> Executive Order 12188, issued on January 2, 1980. See Document 121.

*Other Provisions*

The Plan states in Section 7 that: “Nothing in this Reorganization Plan is intended to derogate from the responsibility of the Secretary of State for advising the President on foreign policy matters, including the foreign policy aspects of international trade and trade-related matters.”

The Presidential message states that “in recognition of the responsibility of the Secretary of State regarding our foreign policy, the activities of overseas personnel of the Trade Representative and the Commerce Department will be fully coordinated with other elements of our diplomatic missions.”

The Plan will have an effective date of October 1, 1980, or earlier if so specified by the President, if not rejected by the Congress within 60 days following its introduction.

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**120. Letter From Secretary of State Vance to the Director of Office of Management and Budget (McIntyre)<sup>1</sup>**

Washington, December 6, 1979

Dear Jim:

I find completely unacceptable the proposed OMB levies of 35 additional American positions for transfer from State to Commerce and 5 from State to STR under the Trade Reorganization Plan.<sup>2</sup>

We have done our best to work cooperatively with Commerce and STR to carry out the President’s decision. As you know, we identified 649 positions—162 American officer positions and 487 Foreign Service National positions—to move to Commerce to insure that the transfer of the commercial trade function in 65 countries abroad would work as effectively as possible. Our people have been helping Commerce plan for the new Foreign Commercial Service. Similarly, we have worked successfully with STR to reach an agreed division of functions on trade policy matters.

These further proposed OMB actions would strip State of 15 domestic American administrative support positions, 15 American secretarial

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 9, Chron December 4–6, 1979. No classification marking.

<sup>2</sup> See Document 119. The additional OMB levies were not further identified.

positions overseas, 8 substantive officers from the small Bureau of Business and Economic Affairs (5 for Commerce and 3 for STR), and 2 officer positions from our Mission to the UN in Geneva. The simple arithmetic basis on which these levies were premised is completely specious and the offices from which the proposed positions would come are fully engaged in other matters.

As I stressed to you personally and reiterated by letter on September 20, 1979,<sup>3</sup> I consider it absolutely essential not to further deplete my domestic or overseas staff by the loss of any additional positions. All of the principal proponents of the Reorganization Plan have agreed that the Department of State and my office will have continuing important responsibilities in the trade policy and related international economic policy fields for which adequate staffing is required.

The proposed levies are particularly intolerable at this time when the Foreign Service is experiencing extraordinary stress and when OMB is asking the Department to absorb deep and unacceptable cuts in its available resources in other essential areas.

I believe these actions should be reversed, and I hope we can get together and discuss this issue at a convenient time today.

Sincerely,

Cy Vance

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<sup>3</sup> Not found.



**121. Editorial Note**

On January 2, 1980, the trade reorganization plan, originally proposed by Director of the Office of Management and Budget James McIntyre and Special Trade Representative Robert Strauss, was promulgated with the issuance of Executive Order 12188. Submitted to Congress by President Jimmy Carter in September 1979 and approved by Congress in November, the plan renamed the Office of the Special Trade Representative to the Office of the U.S. Trade Representative, and gave the office the authority to develop U.S. trade policy. At that time, many of the trade programs were moved from the Treasury Department to the Department of Commerce. For the text of Carter's remarks on signing the executive order and E.O. 12188, see *Public Papers: Carter, 1980–81*, Book I, pages 5–11.

# Employment Reduction at the Department of State

## 122. Editorial Note

On March 2, 1977, President Jimmy Carter ordered a limit on the hiring of federal employees. Federal agencies were instructed to fill no more than 75 percent of their civilian vacancies. On February 2, during a fireside chat, Carter said "Soon I will put a ceiling on the number of people employed by the Federal Government agencies, so we can bring the growth of Government under control." ("Carter, Looking to a Lid on Federal Employees, Orders Limit on Hiring," *New York Times*, March 3, 1977, page 23) Over the previous decade, the number of Department of State employees had already been reduced by over 15 percent. (Memorandum from Feldman to Moose, March 15, 1977; National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 2, Chron March 1977)

The hiring limit was a precursor to employment ceilings, established on an agency-by-agency basis by the Office of Management and Budget, which were projected to be established in April. The previous ceiling of 2,108,500 Federal employees had been established by President Gerald Ford. Each President set an employment ceiling as a part of the annual budget process.

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## 123. Memorandum From the Acting Assistant Secretary of State for Administration (Dikeos) to the Deputy Under Secretary of State for Management (Moose)<sup>1</sup>

Washington, May 6, 1977

### SUBJECT

Employment Ceilings

We have been informally advised by OMB that the government-wide employment reduction package will go forward to the President

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 1, Chron May 1977. No classification marking.

shortly. The OMB recommendation to the President for the Department’s full-time permanent employment ceiling will probably be as follows:

Full-Time Permanent Employment Ceilings		
	<u>FY-1977</u>	<u>FY-1978</u>
Total (including supplementals)	22,920	23,041
Proposed reduction	<u>– 300</u>	<u>– 375</u>
End-of-year employment ceiling	22,620	22,666

This represents a further reduction of 50 from the earlier OMB International Affairs Division proposal.<sup>2</sup> The figures also do not reflect 76 reimbursable positions (mostly AID transfer of functions and program build-up) which should be added by OMB to our total.

It appears that an employment ceiling reduction of this magnitude would require abolishing approximately 200 positions currently authorized to the bureaus.

Our full-time permanent employment as of March 31 was 22,673. We should have end of April employment figures within two weeks.

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<sup>2</sup> Not found.

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**124. Memorandum From the Deputy Under Secretary of State for Management (Moose) to All Assistant Secretaries and Office Heads<sup>1</sup>**

Washington, June 24, 1977

SUBJECT

Employment Ceilings; Continuation of Hiring Limitation Procedures

The Department has received its revised employment ceilings from the Office of Management and Budget. The new ceilings require large reductions—300 by September 30, 1977, and an additional 75 by Sep-

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 3, Chron June 1977. No classification marking.

tember 30, 1978—from the employment levels we had projected as a result of our FY 1977 supplemental and FY 1978 budget submissions. Virtually all of the new programs and requirements submitted by bureaus and described in those budget submissions will have to be met from manpower on board as of February 28, 1977. Obviously, some difficult choices on personnel resource priorities are ahead.

Although the Presidential hiring limitation per se has now been lifted, we are instructed by OMB to maintain employment levels during the remainder of the fiscal year which will enable us to meet our September 30 ceiling. We are now above the ceiling authorized for September 30, 1977. In order to meet this requirement, and to make sure that new hires go to priority needs, we will continue until further notice our present procedures: hires will continue on the present “three for four” basis;<sup>2</sup> this office will specifically approve all new American hires. Bureaus with responsibility for hiring local employees overseas are requested to continue to monitor all such hires also on a “three for four” basis. Such bureaus should inform posts that these procedures will continue until further notice.

The near term will be a difficult period for all of us, but I am confident that with careful planning and sound personnel management, we will be able to meet our essential tasks and those priorities established by the President.

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<sup>2</sup> The hiring formula allowed three hires for every four vacancies.

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## 125. Memorandum From President Carter to the Heads of Executive Departments and Agencies<sup>1</sup>

Washington, August 11, 1977

Government reorganization for better Government performance is one of my main goals, and I am encouraged by the progress made so far. How we handle the personnel aspects will be important to our ultimate success. I am committed to accomplishing the reorganization with a minimum of hardship to employees.

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<sup>1</sup> Source: National Archives, RG 364, Special Trade Representative, 1977–1979, Box 47, White House Official 1977. No classification marking. The memorandum was released on August 12. See *Public Papers: Carter, 1977*, Book II, p. 1463.

The reorganization will unquestionably require consolidation of functions and, in some cases, the closing of certain activities. In the event employees of your agency cannot be transferred with the same functions, you should do everything you can to place them in other suitable positions, including filling vacancies within your agency with qualified employees scheduled to be displaced, working through the Civil Service Commission's Displaced Employee Program to facilitate placements in other agencies, and providing opportunities for retraining.

This is a two-way responsibility. Just as I expect you to give all possible assistance to your own displaced employees, it is also your responsibility to give full consideration to hiring displaced workers of other agencies. This is the only way we can ensure that employees will not be adversely affected by the reorganization.

I have asked the Chairman of the Civil Service Commission to set up additional mechanisms to aid in the placement of employees affected, including mandatory priorities in hiring, and to provide you with other assistance as necessary. Chairman Campbell<sup>2</sup> will follow through with these efforts and will report the results to me.

I am counting on your cooperation and resourcefulness to help us carry out the transition to greater governmental effectiveness as smoothly as we can.

**Jimmy Carter**

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<sup>2</sup> Alan K. "Scotty" Campbell.

**126. Memorandum From the Deputy Under Secretary of State for Management (Read) to All Assistant Secretaries and Office Heads<sup>1</sup>**

Washington, January 5, 1978

## SUBJECT

Hiring Limitation

Final Administration decisions on the Department's FY 1978-79 budgets have resulted in the approval of 334 additional positions—one-third to one-half fewer than will be needed for the Department's highest priority position requirements during the next 21 months. Accordingly, we must take steps to reduce existing authorized positions by about 250 during the current and coming fiscal years, primarily during the next ten months.

The first step will be to impose a strict control on all hiring from outside the system both domestically and overseas. As of January 7, 1978, no outside hiring of full-time American or local nationals is authorized without the written approval of my office. I am informing all posts of this requirement and of the measures described below. We will, of course, be prepared to give immediate consideration to and to act upon urgent requests for needed outside hires during the period. In this context we are mindful of the need to maintain an appropriate inflow of key categories of employees—secretaries, communications personnel and junior FSO candidates in particular—in order to prevent serious shortages.

The second step will be the establishment of a Position Working Group which will work closely with the bureaus to get a detailed status report on our worldwide employment and vacancy situation as of January 6, 1978. I recognize that there are a number of reasons for vacancies (assignment delays, position classification delays, etc.), and I wish to assure you that the character and duration of each vacancy will be carefully reviewed and evaluated. Certain long-term and low-priority vacant positions will then be abolished.

The third step will be to determine how many additional low-priority positions must be abolished in order to get the added new position authority needed. Each bureau, and through it each post, will be asked to identify its one or two percent positions to which it assigns lowest priority. Detailed instructions will be forthcoming on how this

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 7, Chron January 1978. No classification marking.

is to be done, but it can be anticipated that all positions, American and local, senior to junior, will need to be reviewed in the process.

I would like to emphasize that the procedures instituted here do not constitute a freeze on hiring. We learned from the experience last spring that any such freeze imposes severe dislocations and persons in the employment pipeline do not remain there under such circumstances. We will make every effort to expedite actions on exceptions as indicated above. What we have got to acquire, however, and keep current is information and control at a central location of authorized positions and this can only be done under the decentralized hiring practices now in effect by the steps we have outlined above. We will ease and lift the controls imposed here just as soon as possible, and bureaus and posts can facilitate that process by expeditious handling of the information that is requested.

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**127. Memorandum From the Acting Director of the Office of Management Operations (Malone) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, October 13, 1978

SUBJECT

Effect of Leach Amendment on Position Ceiling

The “Leach Amendment”, contained in Section 311 of the Civil Service Reform Act of 1978,<sup>2</sup> provides that the total number of civilian employees in the Executive Branch from September 30, 1979 through September 30, 1981, shall not exceed the number of such employees on September 30, 1977. Having just become aware of this proviso, I have obtained a copy of the text (Tab A)<sup>3</sup> and have sought the views of Jim Barie in OMB concerning its interpretation.

Barie has informed me that the Administration’s position is one of enthusiastic support for Section 311 of the Act. Since Section 311

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 4, Chron October 12–13, 1978. No classification marking. The Deputy Under Secretary of State for Management became the Under Secretary of State for Management on October 1, 1978.

<sup>2</sup> P.L. 95–454. Section 311 describes the temporary limitations on employment.

<sup>3</sup> Attached but not printed.

applied to the Executive Branch as a whole, there is some flexibility in its application. Overall, the Executive Branch will have to come down by 40,000 positions. For State, the 1977 ceiling will be achieved by a two-percent reduction from our OMB FY 79 ceiling of 22,960 full-time employees (or 24,308 full- and part-time employees). Thus, the ceiling which OMB will impose upon us to comply with the law will be 22,500 full-time employees (or 23,800 full- and part-time employees). State should aim to achieve this reduction by the end of FY 79. Barie said there would be no inclination to relieve us of this requirement.

In other words we will be expected to meet by the end of FY 79 the position ceiling which OMB had originally expected us to meet by the end of FY 80.

I have asked Barie whether we would be receiving an official notification to this effect from OMB. He said that we would not, but that it would all be sorted out in the budget review process. He said that this matter would probably be discussed next Tuesday<sup>4</sup> at the hearings scheduled here to deal with salaries and expenses and employment.

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<sup>4</sup> October 17.

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## 128. Memorandum for the Files<sup>1</sup>

Washington, October 25, 1978

### SUBJECT

Comments on 50% Hiring Freeze

Jim Barie, OMB, whom I called to obtain details on the 50% hiring freeze, provided the following information:

The rules will be set forth in an OMB bulletin which is now at the printers. He provided comments to me on the basis of a draft which he thinks is in accord with the final.<sup>2</sup>

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 4, Chron October 21-25, 1978. No classification marking. Prepared by Gifford Malone (M/MO). Copies were sent to Joan M. Clark (M/MO), James M. Ealum (M/MO), and Read.

<sup>2</sup> For the President's October 26 memorandum to the heads of executive departments and agencies on the hiring freeze, see *Public Papers: Carter, 1978*, Book II, p. 1856. See also "'1 for 2' Hiring Policy at State," *Department of State Newsletter*, December 1978, pp. 9-10.



The 50% hiring freeze applies to full-time employees, including foreign nationals. Not more than 50% of the number of vacancies occurring on or after October 25 are to be filled. Reallocation of personnel within an agency is permitted. Vacancies in existence on October 24 can only be filled by applying the 50% rule for vacancies which occur from October 25 onward (i.e. we are stuck with vacancies in existence on October 24). The 50% freeze is in effect until “further notice”.

Contracting outside the U.S. Government in order to compensate for services lost as a result of the hiring freeze will not be permitted. Hiring of temporary employees to make up for losses caused by the hiring freeze will not be permitted.

There are some exemptions to the freeze. One such category is emergency hirings to prevent loss of life and provide security. Some persons presently exempted from agency employment ceilings, such as some types of summer employees or employees in certain types of minority programs, will not be counted. Barie noted that Pearson Program<sup>3</sup> detailees were now, by law, not included in the State Department ceiling, and they would not be counted. Also exempt are those to whom a firm employment commitment has been made in writing before October 25. All executive level appointments are excepted, and this in Barie’s opinion would include ambassadors.

The OMB is empowered to make limited exceptions upon direct appeal to the Director of OMB. However, Barie emphasized that the OMB intended to make such exceptions only in the case of dire emergency.

There appears to be an exception in the case of employees who provide services to meet specific requirements of law. Barie said that some consular functions might fall into this category.

Barie did not know when the freeze was likely to end, but he thought we could assume that it would be in effect at least until January, at which time we will receive OMB’s revised 1979 employment ceiling (i.e. the lower ceiling to meet the requirements of the Leach Amendment).<sup>4</sup> He said that he had a “gut feeling” that if we were below that ceiling at that time, the freeze might be lifted for us, but he had no specific information to support that feeling.

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<sup>3</sup> The Pearson Program allows Foreign Service officers to serve temporary assignments with congressional members or committees.

<sup>4</sup> See footnote 2, Document 127.

**129. Telegram From the Department of State to All Diplomatic and Consular Posts<sup>1</sup>**

Washington, November 8, 1978, 1744Z

284523. For Chief of Mission from Und. Sec. Read. Inform Consuls.  
Subject: Hiring Limitation.

1. As part of his program to restrain inflation, and in order that all agencies reduce total Federal employment to the September 30, 1977 levels required by the "Leach" Amendment to the Civil Service Reform Act (Section 311 of PL 95-454), President Carter has ordered an indefinite hiring limitation. We now have the official OMB guidelines on these restrictions.

2. As of October 25, 1978, one new permanent employee can be hired for each two vacancies. Vacancies existing on October 24 may only be filled by the use of appointments permitted as a result of new vacancies. However, transfers within the Department will not be affected by these restrictions. Since the guidelines specifically preclude all agencies from using temporary appointments and outside contracts to evade this limitation, all such appointments and contracts will be closely monitored.

3. The OMB directive provides for a limited number of categories to be exempted from the hiring limitation. Under these provisions, personnel are exempt whose hiring is essential for maintaining operations that directly protect human safety and property. Security officers involved in protective services, foreign national security guards overseas, and professional and technical medical personnel are covered under this category.

4. In addition, the directive exempts those whose hiring is in accordance with firm commitments made in writing by agency personnel officers, prior to the effective date of the limitation. Consequently, unless a firm offer was made before October 25, 1978, the hiring must be accomplished from among the 50% of the number of new vacancies occurring. Any questions regarding interpretation of a firm commitment should be referred to the appropriate executive director.

5. There is, however, an appeal mechanism to OMB for groups not specifically covered by exemption. The Department intends to appeal for exemption for consular personnel abroad and Passport Agency

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<sup>1</sup> Source: National Archives, RG 59, Central Foreign Policy File, 1978. Unclassified. Drafted by Phyllis Bucsko (M/MO); cleared by Ealum, Clark, Robert S. Gershenson (M/DGP), and Roger Feldman (A/BF); approved by Read.

personnel in the United States “to ensure that fundamental needs and requirements of law are met.”

6. We will also appeal for exemption for operating communications personnel on the grounds that the staffing of this function is necessary to “preserve the continuity of government by assuring that essential services are provided.”

7. Until the Department receives OMB approval for the exemption of consular, Passport Agency, and certain communications personnel, however, all such hires are restricted to 50% of the number of new vacancies occurring.

8. We recognize that there will be gray areas in all of the above categories. In order to provide policy guidance and to review and establish hiring priorities, I have created a working group consisting of M/MO, M/DGP, and A/BF. Any questions regarding this hiring limitation should first be directed to the appropriate executive director, who will in turn seek further clarification if necessary from the working group.

9. All requests for hire, including foreign national positions, are covered by this restriction, and requests for approval to hire personnel must be submitted first to bureau executive directors for coordination within the bureau prior to submitting such requests in priority order to the working group.

10. I wish to assure all organizational elements within the Department and our posts abroad that administration of the hiring limitation will take into account those tasks which are essential and require priority consideration. It will not be easy, but I am confident that with careful planning and sound personnel management, we will be able to fulfill our commitment to the President and still carry out effectively the day-to-day operations of the Department. I ask for everyone’s full understanding and cooperation during this difficult period.

**Vance**

**130. Memorandum From the Deputy Director of the Office of Management Operations (Ealum), the Deputy Assistant Secretary of State for Administration for Budget and Finance (Feldman), and the Deputy Assistant Secretary of State for Personnel (Gershenson) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, March 9, 1979

SUBJECT

Report of Hiring Limitation Working Group

The hiring limitation working group, composed of M/DG, A/BF and M/MO has been monitoring hiring since November. Full-time State employment has been reduced by 174 people through January and the Working Group anticipates that when February results are in some relaxing of restrictions can be initiated. This optimism was expressed at the executive directors meeting February 23.<sup>2</sup>

Department-wide the OMB Ceiling September 30, 1979 for full-time employment is 22,500, which is allocated as follows:

State	
Americans	11,041
FS Nationals	<u>10,052</u>
Total State	21,093
Other Agency (Am.)	<u>1,407</u>
	22,500

This allocation is basically illustrative in that OMB controls at the total and not by category. However, funding levels are related to these categories. We have not attempted to influence Other Agency (OA) (Am.) employment. State employment against the 21,093 control has been:

	<u>Americans</u>	<u>FSN</u>	<u>Total</u>
October	11,087	10,198	21,285
November	11,071	10,184	21,255
December	11,037	10,166	21,203
January	11,017	10,094	21,111

<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 11, Chron March 7-13, 1979. Confidential.

<sup>2</sup> No minutes of this meeting were found.

A comparison of 21,093 ceiling and 21,111 January employment indicates we are only 18 over ceiling at the end of January. However, the Department is not yet as near its goal as these figures portray. There are future events which will automatically cause employment of Americans to rise, such as the 25 remaining passport conversions from part-time to full-time. Also, within total employment there has to be further changes in current employment by appropriation in order to arrive at budgeted appropriation levels, such as a reduction of 41 Americans from the present level in S&E to allow an anticipated increase in IBWC, etc.

We clearly need to continue to apply restraints on hiring. In mid-March the employment status will be evaluated to determine if some lessening of hiring restrictions can be allowed; namely, that the March level of FSN employment be held constant by allowing a new hire for each new separation (rather than one for each two separations) for the remainder of the year.

The American employment forecast is more difficult to make. Given some unknown fluctuation effects in attrition rates resulting from the age-60 decision<sup>3</sup> and the lifting of the government-wide freeze, and the current vacancy patterns by bureau and office, we feel American hiring restraints need to be continued. There are numerous vital positions vacant now and it is expected that the discontinuance of controls would cause a large jump in employment. We envision the WG will not be able to approve hiring of all American personnel as they become ready for appointment, thus we will need to make determinations of relative priority. This process can be expected to cause complaints and appeals.

Other Agency employment is expected to present some problems at the end of the year. Their ceiling is 1,407—however, their January employment was 1,496 and is anticipated by INR to rise to 1,525 by September 1979—118, in excess. A/BF will inform OMB of this matter and ask for relief in the ceiling, or confirmation of OMB's acquiescence in this anticipated excess. Without OMB's concurrence, we would need to address this matter with OA.

Once employment is at completely satisfactory levels you may wish to review the relative allocation of positions before all restraints are lifted and the WG disbanded. The question of the large number of vacancies in several bureaus needs to be resolved and balanced within total position allocations before hiring to any significant extent throws us back into an employment problem.

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<sup>3</sup> On June 28, 1977, the U.S. District Court for the District of Columbia found the Foreign Service mandatory retirement age of 60 to be unconstitutional. (*Bradley v. Vance*, 436 F. Supp. 134 (D.D.C. 1977)) On February 22, 1979, the U.S. Supreme Court reversed that decision. (*Vance v. Bradley* (440 U.S. 93 (1979)))

**131. Memorandum From the Director of the Office of Management and Budget (McIntyre) and Secretary of State Vance to President Carter<sup>1</sup>**

Washington, July 24, 1979

SUBJECT

Reducing U.S. Employment Abroad

*I. BACKGROUND*

Altogether about 2.1 million Americans live abroad. Of these, about 1.2 million are expatriates, retirees, and business people. The remaining 953,000 (including 439,750 dependents) are abroad because of direct involvement in U.S. Government activities. Of these, 492,483 are military and civilian defense personnel who relate to our military posture and 396,000 dependents. In addition, there are some 64,000 Americans (including 43,750 dependents) stationed abroad who are associated with U.S. diplomatic missions.

*The U.S. Official Presence Abroad, December 1978*

	Military Commands	Diplomatic Missions	Total
Military Personnel .....	461,447	4,698	466,145
Civilian U.S. Government			
Employees .....	31,036	9,022	40,058
Peace Corps Volunteers .....	—	6,899	6,899
Dependents (est.) .....	396,000	43,750	439,750
Total.....	888,483	64,369	952,852

The number of Americans in diplomatic missions is not fixed; indeed, there are substantial pressures to increase rather than reduce the number of these positions. These pressures include a rising interest in replacing foreign national employees with Americans, the recent AID policy of emphasizing increased field staffing in order to reduce the Washington complement, and the Administration's growing interest in export promotion and science and technology.

<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 59, Administration's Policy/General, 8-12/79. No classification marking. Sent for action. A stamped notation indicates that McIntyre signed this memorandum.

On May 30, you directed a review of staffing levels at our diplomatic missions abroad,<sup>2</sup> to include visits by two joint State/OMB teams to twelve large posts followed by a thorough ZBB review of all positions abroad. The two teams, which we are calling the Review Group, have completed their surveys and have prepared a report for your consideration, which is attached.<sup>3</sup> Meanwhile, OMB has issued instructions to the departments and agencies to begin the ZBB review.<sup>4</sup>

## II. REVIEW GROUP FINDINGS AND RECOMMENDATIONS

The Review Group concluded that there are indeed instances of overstaffing abroad and recommended reductions of over 500 American positions (approximately 12 percent) in the 12 missions visited. The Review Group also identified some instances of understaffing for necessary current functions and warned against across-the-board percentage cuts as a method of accomplishing future reductions. Instead, the Review Group prepared a number of specific proposals designed to reduce current overseas civilian presence by eliminating or reducing the least critical functions. In addition, they made recommendations of a broader nature designed to establish a firmer control over future staffing increases and strengthen the capability of our Ambassadors to utilize the remaining overseas personnel more effectively in the performance of essential tasks.

We have examined the Review Group's recommendations and plan to deal with them in the following way. It is possible to implement some of the recommendations at once, and we believe that you should sign the attached directive (TAB A)<sup>5</sup> to give force to the overall effort. Action can be taken on a second group of recommendations after further review with the agencies concerned, and we propose to conduct such a review, in conjunction with the Fall budget process, aiming at a second Presidential directive in November (TAB B). The remaining recommendations (TAB C) deserve a considerable amount of analysis, and we believe they cannot be brought to a final decision point until next year.

## III. OUTLINE OF THE ZBB REVIEW

Agencies with personnel in diplomatic missions are being requested to examine whether functions can be abolished or performed more economically with fewer U.S. citizen employees abroad. This ZBB review will require agencies to analyze their FY 1981 overseas staffing

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<sup>2</sup> Not further identified.

<sup>3</sup> Not found attached.

<sup>4</sup> Not found.

<sup>5</sup> Tabs A–C were not found attached.

requirements, perform priority ranking of overseas positions in packages, and report to OMB by September 15.

The intent of this review is to depart from the traditional percentage cuts which, as applied across-the-board, have tended to reduce personnel levels without regard to each agency's functional responsibilities. The purpose of the review is to reduce the number of U.S. overseas personnel by identifying discrete functions/activities which could be eliminated, reduced, or carried out more efficiently from U.S. territory. State will assist in the review.

Other force structure related military and civilian positions will be examined in the context of the regular Fall Budget Review as will the intelligence units under the area military commands. Although dependents of military personnel will not be examined specifically, the Senate has requested the DOD to report by December 1979 on ways to reduce the number of dependents abroad.

#### IV. *RECOMMENDATION*

That you sign the memorandum at TAB A which formally announces your initiative to reduce U.S. employment abroad, takes some immediate steps in that direction, and directs the departments and agencies to cooperate in the continuing effort.

The Attorney General Designate, the only Cabinet officer who has employees who are directly affected by the immediate recommendations, does not concur with the third action item in TAB A which directs the closing of all three regional offices of the Drug Enforcement Administration abroad (Paris, Mexico City, Bangkok) by the end of Fiscal Year 1980. He prefers to close only the Paris and Mexico City regional offices by the end of Fiscal Year 1980, and put off the decision on Bangkok until a later date. The Justice Department believes that the presence in Bangkok of a Regional Director and supporting staff has contributed to enforcement gains in stemming the illicit supply of heroin from Southeast Asia.

Last May, another interagency review group, which included Department of Justice representatives and which conducted an on-site inspection,<sup>6</sup> recommended that regional activities at Bangkok be relocated to the Washington, D.C. headquarters of DEA. The Bangkok office would then be converted into a "country" rather than a "regional" office. We agree with the interagency group that a regional office in Bangkok is not required in order to operate an effective narcotics control effort across national borders.

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<sup>6</sup> Not further identified.



Considering all of the relevant factors, we recommend the closure of the Bangkok regional office by September 1980. Should you agree with the Attorney General Designate's recommendation rather than ours, we will modify Action Item 3 on page 2 of the Memorandum to Departments and Agencies accordingly.

OMB and State will proceed on the other issues as outlined in TABs B and C, and we will provide you with our recommendations either during the Fall (TAB B) or after the first of the year (TAB C).

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**132. Memorandum From the National Security Council Staff Secretary (Dodson) to the President's Assistant for National Security Affairs (Brzezinski)<sup>1</sup>**

Washington, August 13, 1979

SUBJECT

Reducing U.S. Employment Abroad

Attached is the joint State/OMB report on reducing U.S. employment abroad that was discussed at Friday's foreign affairs breakfast.<sup>2</sup>

To be brief about it—State is trying to pull a fast one over all the other agencies and is doing so very cleverly. For years, decades really, State has tried to increase the power of the ambassador (read: State) over the representatives of other agencies in the missions abroad—a move Defense, NSA, CIA, Justice etc. have fought and, in some cases, for good reason.

Last May the President handed State the opportunity it sought: acting on the reports of retiring ambassadors from Switzerland and Egypt that their embassies were overstaffed,<sup>3</sup> the President asked State and OMB: (1) to conduct a fast study/analysis on how to reduce overseas employment, and (2) to report to him (Tab 1).<sup>4</sup> In two months, two teams of three persons each (one retired ambassador, one OMB Reorganization staffer, and one support staffer from State) went to six

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 59, Administration's Policy/General, 8–12/79. No classification marking.

<sup>2</sup> The report was not found attached; see Document 131. No minutes of the August 10 meeting were found.

<sup>3</sup> Not further identified.

<sup>4</sup> Not found attached.

embassies each, “analyzed” the personnel requirements and wrote the attached voluminous report.

The report is cleverly and well done:<sup>5</sup> it is written to appeal to the President’s desire to reduce “official” Americans abroad. However, it has a critical drawback from *our* and *your* role as coordinator of the whole NSC community: *it has no agency input*. Yet as you will clearly see in the terms of reference approved, and personally edited, by the President, step 3 of the procedure was to be to “consult with agencies on return” from their overseas junket. (Tab 2)<sup>6</sup>

I brought this to State’s attention and they point out that of the three reports prepared for the President only one (their blue Tab A) recommends immediate signature by the President; the other two (their Tabs B and C)<sup>7</sup> are only the assessment teams recommendations to be implemented only after agency consultation.

However, even Tab A is phrased in effect to achieve two of State’s favorite goals: (1) the establishment of joint administrative organizations; and (2) the *strengthening* of MODE, an ineffectual and unpopular system for monitoring overseas direct employment and one of Ben Read’s, and before him L. Dean Brown’s (one of the key team members), pet projects. Additionally the memo is misaddressed: it should go to all government agencies, since it also covers all official travel abroad, not only of those agencies with missions abroad; paragraph 1 announces State’s clearance of travel abroad as though it were something new (they already do so for assistant secretary and up ranks); and paragraph 5 assigns you a role in the strengthening of MODE (something we may not want to do at all) without a by-your-leave.

What is potentially more pernicious is the fact that Tabs B and C *and* the accompanying report might attract the President’s eye (they *are* cleverly written!) and he may go through the whole thing and indicate his support for various recommendations unaware of opposing viewpoints. That would make it very hard to undo the harm when “agencies are consulted.” (NSA seems to be a particular target of the report (see Special Annex at end of blue book).<sup>8</sup> NSA has always been a thorn in the side of MODE people because it has been allowed to operate its personnel abroad *outside* MODE).

I wanted to avoid the additional delay of circulating the report to the agencies. I had therefore talked State, I believe, into revising the

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<sup>5</sup> Dodson added “and well” by hand.

<sup>6</sup> Not found attached.

<sup>7</sup> Reference is to Tabs A, B, and C of the State/OMB report.

<sup>8</sup> Not found.

only immediate action memo (their Tab A) to moderate the President's instruction to establish the joint administrative organization to "*after* talking to the affected agencies and when practical and efficient" and to commit you "to support the better management and control of overseas employment" but not necessarily through MODE.

However, Ben Read's office tells me that at the foreign affairs breakfast, the President instructed that the report be sent forward to him *unchanged* but with a cover note from you. I have therefore prepared such a note for you to the President at Tab I<sup>9</sup> and have called in Defense to have a look at it. Secretary Brown was disturbed by the discussion at the breakfast and asked to see the report.

Rosie for NSA, Rud for AID and Commerce, Charlie for the military attaches, Don for CIA, Tom Thornton for State (and historical background) and Linc for Justice (Drugs) have read the first part of the report.<sup>10</sup> Rosie is climbing the walls (as usual); Rud tells me that AID is anyway doing much more than the recommendations; Thornton gave me the background of the long pull effort of State, L. Dean Brown and MODE; and Linc talked to Civiletti and got him to soften Justice's opposition to the "cosmetic" cut of six DEA employees. Interestingly, MODE itself already increased its employees here in D.C. from 4 to 10 (a 150% increase) to implement the proposed cuts of 12% in everyone else's bailiwick! Assuming in effect that the President directed that the report go to him unchanged, sign the memo at Tab I.

Assuming Christopher's readout of the breakfast is incorrect, you could still prefer returning the whole thing to State for interagency clearance. For such a case, I have prepared a memo at Tab II. If you select this option you should send the President an interim status report as at Tab III.<sup>11</sup>

This may all seem a lot of bureaucratic to-do to you; but Defense, NSA, CIA and our other agencies will raise the roof and will eventually scuttle the whole effort, which needs to be made, if the President, by prematurely commenting on one-sided recommendations, locks us in to certain reforms in the manning of our embassies abroad.

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<sup>9</sup> Not found attached, but see Document 133.

<sup>10</sup> Robert Rosenberg, Rutherford Poats, presumably Charles Stebbins, Donald Gregg, Thomas Thornton, and Lincoln Bloomfield, all of the NSC Staff.

<sup>11</sup> Tabs II and III were not found attached.

**133. Memorandum From the President's Assistant for National Security Affairs (Brzezinski) to President Carter<sup>1</sup>**

Washington, August 16, 1979

## SUBJECT

U.S. Overseas Employment

In May, 1979 you instructed Cy Vance and Jim McIntyre to send joint OMB/State assessment teams to selected embassies abroad to review staffing levels at these overseas missions. Further you approved the terms of reference of this effort, terms which included consultation with agencies involved upon the teams' return to Washington (Tab 1).<sup>2</sup>

Attached is the package covering the report prepared jointly by Cy and Jim.<sup>3</sup> (The full report of a couple of hundred pages is filed with Rick Hutcheson). Tab A of the package is a memorandum for your signature; Tabs B and C, recommendations for follow-up actions in 1979 and further in the future. Particularly given the shortness of time and resources at the teams' disposal, the report is very interesting and stimulating.

To speed the delivery of the report, upon their return to Washington, the OMB/State teams did not consult with agencies involved. However, Cy and I decided that you would be best served if we took the time to circulate the report to the ten agencies with the largest overseas contingents.

The responses were requested within 24 hours, so they were by necessity elliptical. They confirm, however, my original impression that the recommendations (1) are occasionally based on less than complete or accurate information; and (2) were reached in a relative vacuum of:

—a. *Existing mechanisms* (e.g. SIGINT Committee, Political Intelligence Working Group,);

—b. *Decisions already taken* (e.g. August 1977 Presidential decision on maintaining a unified SIGINT system; March 1978 U.S. Missions/Peace Corps relationship agreement; May 1979 State/CIA agreement [*less than 1 line not declassified*]; 1977 Congressional/Executive branch agreement on consolidating communications facilities abroad; State/Attorney General agreement concerning the FBI's Legal attache program);

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Brzezinski Office File, Box 59, Administration's Policy/General, 8-12/79. Unclassified. Sent for action.

<sup>2</sup> Not found attached.

<sup>3</sup> The report and its Tabs A-C were not found attached. See Documents 131 and 132.

—c. *Current developments* (e.g., OMB has set November 15 as the deadline for submission of the zero-base review of overseas functions, the Vance/McIntyre memo moves this up to September 15; AID's reorganization plans include overseas cuts deeper than those recommended; trade reorganization will shift commercial attaches to Commerce).<sup>4</sup>

It is important to note that regardless of support given or exemptions taken to specific recommendations, every agency indicated its full support for your effort to streamline overseas operations and reduce employment, and its willingness to cooperate fully in follow-up studies—but *not necessarily those listed in Tabs B and C*. At the same time, each agency also stressed the need for a truly consultative, *pre-decisional* participation by, and input from, all agencies involved.

I support this approach to the follow-up studies. I also support DOD's, NSA's, and CIA's position that the first assignment of the interagency task force put together to carry out the follow-up studies should be to review the appropriateness of the topics to be studied. Some recommendations, particularly those listed at Tab C, would carry us much further afield than appears necessary for implementing a program of increased managerial efficiency of our overseas missions. They drift into areas where great wisdom and care would have to be shown to avoid potential damage to U.S. intelligence.

It is notable that despite flare-ups in particular posts abroad, we have been making steady progress in curtailing non-military overseas employment. Diplomatic mission personnel totaled 72,814 in July 1977 and 64,369 in July 1979, a decrease of about 11%. This occurred despite a one-thousand increase in Peace Corps volunteers.

To take care of the agency concerns listed above, I have prepared an alternate memo for you to sign at Tab I.<sup>5</sup> It revises the Tab A memo, which reflects no agency input, to:

—address all agencies of the Executive Branch not only those with overseas missions, since you are requiring control of overseas travel by all U.S. Government employees;

—clarify the fact that new regulations to control travel abroad will be in addition to, not instead of, current requirements for clearing travel plans with the Department of State;

—strengthen the pre-decisional consultative role of agencies in establishing joint administrative organizations;

—review existing mechanisms for implementing overseas employment policy; and

—extend the deadlines for ZBB submission to mid-October.

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<sup>4</sup> Regarding the reorganization of AID, see Document 146. Regarding the trade reorganization, see Documents 119 and 121.

<sup>5</sup> Not found attached.

Note that the memorandum at Tab I (as well as the original at Tab A) include one provision that would result in immediate cuts in personnel—the provision that the Drug Enforcement Agency *regional* office in Bangkok be closed. The DEA made a strong case based on the crucial Thai role in the Asian heroin trade. The Attorney General, on further prodding by my staff, while supportive of the DEA in this matter, also acknowledges your strong desire to economize on federal employment abroad and would be content to live with this decision in the belief that DEA can still perform its function competently through the *national* office in Bangkok.

*RECOMMENDATION:*

That you sign the memorandum at Tab I.

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**134. Memorandum From the Under Secretary of State for Management (Read) to the Deputy Director of the Office of Management and Budget (White) and the Director of the Office of Personnel Management (Campbell)<sup>1</sup>**

Washington, January 8, 1980

SUBJECT

Foreign Service Pay Comparability

John and Scotty:

Following our discussion last Friday,<sup>2</sup> I asked that information be prepared here to cover some of the points that were at issue. This is reflected in the following attachments:

(1) In response to John's inquiry about whether there was any evidence that more people were leaving the Foreign Service, I am enclosing a paper describing the definite upward trend in recent years in attrition, voluntary and otherwise.

(2) A memo on recent recruiting difficulties.

(3) Some comparisons and contrasts between the 1974 Civil Service Commission study and the 1979 Hay State and AID studies—size and

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 1, Chron January 1–9, 1980. No classification marking.

<sup>2</sup> January 4. No minutes of this discussion were found.

choice of samples, comparative data bases, etc.—in response to Scotty's observations.<sup>3</sup>

(4) Comments about other compensation comparisons to supplement the tables already provided showing unfavorable life time earning base compensation for Foreign Service *vis-a-vis* military officers and fast track Civil Service officers.<sup>4</sup>

(5) In response to my discussion with John about the FSO–7 to GS link point in the options identified in the interagency task force report,<sup>5</sup> I am advised that Hay did not look at any FSO–7 positions; only at FSRU–7 communications specialist positions.<sup>6</sup>

## **Attachment 1**

### **Paper Prepared in the Department of State<sup>7</sup>**

Washington, undated

#### **ATTRITION OF FOREIGN SERVICE PERSONNEL**

There is a gradual, but clear increase in the number of separations from the Foreign Service in recent years. The increase is particularly noteworthy among that portion—FSOs and FSSs,—whose service is heavily abroad. The progression anomaly in 1978 was caused by the suspension of mandatory retirement by court order, which was reversed by the Supreme Court a year ago.<sup>8</sup>

If we consider voluntary departure only,—i.e. voluntary retirement or resignation,—there was a loss of 53.7% more overall officers in FY 79 than the average such loss in the years FY 1976–1978. There was an 18% increase in such loss among mid-level officers alone in FY 79 compared to the FY 76–78 average.

The following statistics cover total separations,—whether voluntary, mandatory, death or other:

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<sup>3</sup> Attached but not printed is a paper entitled "Scope and Methodology of the 1974 Study by the President's Pay Agent and the 1979 Study by Hay of Both the Department of State and AID."

<sup>4</sup> Attached but not printed is a paper entitled "Comparison of Lifetime Earnings of the Military, Civil Service and Foreign Service."

<sup>5</sup> Not found.

<sup>6</sup> Attached but not printed is a paper entitled "The Hay Study and the 'FSO–7' Link."

<sup>7</sup> No classification marking.

<sup>8</sup> See footnote 3, Document 130.

<u>TOTAL FSO, FSR, FSRU, FSS</u>	<u>FSO</u>	<u>FSS</u>
FY 1979	9.6%	11.0%
FY 1978	5.6%	6.8%
FY 1977	8.1%	11.4%
FY 1976	6.3%	9.7%
FY 1975	7.1%	9.7%
FY 1974	6.6%	6.8%
FY 1973	6.9%	7.4%
FY 1972	6.6%	7.3%
FY 1971	5.8%	7.6%

## Attachment 2

### Paper Prepared in the Department of State<sup>9</sup>

Washington, undated

#### RECENT RECRUITMENT DIFFICULTIES

Recruitment of Foreign Service personnel has become increasingly difficult recently, culminating in the formation of the January class of new FSOs, which was the most difficult to assemble in memory. Although offers were made beginning two months prior to the start of the class, the refusal rate was high. In the past the typical decline rate has been at the 50% mark, but it has now increased to a high of 61% refusal.

The precise figures for the January class are:

OFFERED	ACCEPTED	DECLINED	%age DECLINING
79	31	48	61%

When the candidates declined offers of appointment, some reasons for doing so recurred quite often. A number indicated that their decisions were based on the overall life-style of the Foreign Service. This seemed to encompass working and living overseas, working spouses, and overseas benefits.

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<sup>9</sup> No classification marking.



Some claimed that our compensation package was far from competitive—indicating that they would lose between \$5,000 and \$13,000 a year in salary to enter the Foreign Service.

None of the candidates specifically mentioned the current Middle East situation, but the Office of Recruitment staff gained the feeling that it was a factor weighing heavily in some decisions.

# USIA Reorganization

## 135. Memorandum From the Deputy Secretary of State (Christopher) to Secretary of State Vance<sup>1</sup>

Washington, undated

### *State-USIA Reorganization*

#### *Issues for Decision*

Since the Stanton Panel's report<sup>2</sup> was made two years ago, there has been continuing discussion of how to organize our overseas information programs and of the relationship between USIA and the Department of State. Congress is keenly interested in the subject and in view of the President's commitment to streamline the Executive Branch, it is appropriate for the Department to state its desires in this matter. Ambassador Reinhardt has promised to give Congress a reorganization plan by the middle of next month. The Senate version of the Department's authorization bill contains a requirement that the President submit a report by October taking into account the studies discussed in this paper.

This paper describes the principal proposals for change and asks you to decide which of these will best contribute to improving the conduct of the country's public diplomacy.

#### *Definition of Programs Involved*

The functions which are potentially subject to reorganization may be categorized as follows: (1) "cultural exchanges", conducted domestically by State (through CU) and implemented abroad by USIA, (2) dissemination of current "policy information", conducted by USIA (through the "fast news" wireless file distributed to Embassies and dissemination of news to foreign media by press attaches), (3) dissemination of "general information", consisting of operation by USIA of libraries, information centers and media activity for the projection of

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 3, Chron May 1977. Unclassified. Drafted on May 27 by Spotts and Wingate Lloyd (M/MO). Concurd in by Joan Clark (M/MO), Moose (M), Kempton Jenkins (H), Frank Wisner (S/S), and Phillip Trimble (L). Printed from an unsigned copy. A handwritten note at the top of the memorandum reads, "5/29/77 to D."

<sup>2</sup> Reference is to the Panel on International Information, Education, and Cultural Relations, chaired by former CBS President Frank Stanton. For the text of the report, March 15, 1975, see *Foreign Relations*, 1969-1976, vol. XXXVIII, Part 2, Organization and Management of Foreign Policy; Public Diplomacy, 1973-1976, Document 103.

American society abroad (e.g., films and lectures), (4) “policy advice” by USIA, consisting of analysis of foreign opinion and advice to State and other agencies on its implications for US policy, and (5) Voice of America (VOA) radio broadcasting. USIA has a separate personnel system which parallels that of the Foreign Service, consisting of separate and distinct domestic and overseas personnel categories.

### *Broad Options*

Three broad sets of recommendations have been made: those of the Stanton Panel (supported by the Murphy Commission); those of the General Accounting Office;<sup>3</sup> and those by Ambassador Reinhardt (substantially supported by the USIA Public Advisory Commission).

The Stanton proposals recommended that USIA’s information function be divided, with dissemination of policy information abroad and policy advice to the US Government on foreign opinion moving to State. These activities, together with PA, S/PRS, and a new bureau would be grouped under a new Deputy Under Secretary for Policy Information. Cultural exchange and general information programs would be combined in a separate Information and Cultural Agency, replacing the present USIA. In our missions abroad, the press attache would become a State Department official. The Voice of America would be made independent under a Board of Overseers on which the new Deputy Under Secretary and the Director of the proposed Information and Cultural Agency would sit for policy guidance purposes. The Stanton Panel also recommended the integration of all career USIA personnel into the Department; on this point the Murphy Commission differed, favoring the maintenance of separate personnel structures.

The GAO and Ambassador Reinhardt rejected almost all of Stanton’s findings, recommending only that the cultural exchange functions of State be transferred to USIA. The GAO drew no conclusion as to the relationship of the expanded USIA to State, whether it should be independent, partly in, or under State. Ambassador Reinhardt concluded that the expanded USIA should have a relationship under State similar to that of ACDA.

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<sup>3</sup> The Murphy Commission, known more formally as the Commission on the Organization of the Government for the Conduct of Foreign Policy, was established in 1972. It was given the mandate to investigate all of the entities involved in the foreign policy-making process and to make recommendations on the formulation and implementation of foreign policy. The Commission issued its report in June 1975. For a summary of the Commission’s recommendations with regard to public diplomacy, see *Foreign Relations*, 1969–1976, vol. XXXVIII, Part 2, Organization and Management of Foreign Policy; Public Diplomacy, 1973–1976, Document 106, footnote 4. The recommendations made by the General Accounting Office were not found but are summarized below.

VOA would remain in the expanded USIA in both the GAO and the Reinhardt plans. The VOA Director and the head of the cultural function in the new agency would be given enhanced status in the new organization.

In our study of the subject we considered other options, such as maintaining the status quo on the one extreme and USIA's complete integration into this Department on the other. We question the first on the ground that Administration and Congressional interest in reform will probably not permit the present arrangement to continue. We would reject the second, since such a move would rekindle the debate over the mixing of foreign propaganda with domestic information functions and would produce an unmanageable situation for the two organizations' personnel systems. The analysis which follows therefore concentrates on the recommendations of the Stanton Panel, the GAO report and the Reinhardt proposal.

### *Impetus for Change*

Over the years a number of major concerns have been expressed on the issue of reforming the conduct of our public diplomacy. A recurring theme is the desire not to have the apolitical cultural exchanges tainted by association with propaganda activities.

A similar concern has been that VOA news should be objective and VOA should enhance its reputation for integrity to the level of the BBC (although BBC overseas broadcasting is acknowledged to be responsive to Foreign Office guidance). Senator Percy and Stanton are vigorous proponents of this concern. On the other hand, others have felt that VOA should be an effective tool of US foreign policy and, more generally, that USIA has too often acted without sufficient regard for approved policies. Senators Humphrey, Church and Javits have resisted Senator Percy's desire to make VOA more independent.

An historic concern has been to keep USIA from engaging in domestic propaganda activity, as reflected in existing legislation. While the issue is not active now, the public and Congress are deeply opposed to any federal government involvement in the management of domestic news.

It is worth adding that there have been no assertions that USIA is performing unsatisfactorily—even the Stanton Panel found that its programs are working remarkably well. In assessing proposals for change we have therefore attempted to judge whether a particular proposal would be likely to make a real improvement, and is not simply organizational tinkering.

### *Background*

With the exception of cultural attaches in the major missions in Latin America, cultural and information activities before World War

II were carried out on an ad hoc basis by ambassadors and their staffs. The war brought new realization of the importance of international information activities, and an Office of International Information and Cultural Affairs was established in the Department in 1945 under an Assistant Secretary for Public Affairs, but without specific authorizing legislation.

The Fulbright Act of 1946<sup>4</sup> financed the exchange of professors, students and others out of funds accruing from the sales of surplus U.S. properties abroad. The Smith-Mundt Act of 1948<sup>5</sup> for the first time provided specific legislative authority for the Department to conduct a program of international information and cultural exchange activities. The Smith-Mundt Act divided the Office of International Information and Cultural Affairs into two offices, one dealing with radio, press and film matters, and the other having responsibility for exchanges and libraries overseas. In 1952 these two offices were consolidated into a semi-autonomous International Information Administration within the Department.

In mid-1952 the Senate Foreign Relations Committee was directed by the Senate to study the objectives, operations and effectiveness of overseas information programs. In June 1953 a special committee, chaired by Senator Hickenlooper, submitted its report,<sup>6</sup> which recommended that the International Information Administration be given greater autonomy within the Department, or be established as a separate agency. The Committee recommended that the Department retain the exchange of persons program, to avoid giving the educational exchange programs “a propaganda flavor.”

In the early months of the Eisenhower Administration, there was an intense debate on the role and locus of US international cultural and information programs. Secretary Dulles agreed with the recommendations of the Rockefeller Commission<sup>7</sup> that the pattern of the past should be reversed and that information and cultural programs should be established in a separate agency outside the Department. The Commission called for the establishment of a new agency under the NSC, subject only to policy guidance from the Secretary of State.

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<sup>4</sup> P.L. 79–584.

<sup>5</sup> P.L. 80–402.

<sup>6</sup> Senator Hickenlooper chaired a Senate Special Subcommittee on Overseas Information Programs, which submitted a report to the Senate on June 5, 1953. For a synopsis of the Hickenlooper Report and the subsequent legislation, see *Congressional Quarterly Almanac*, Vol. IX, 1953 (Washington, DC: Congressional Quarterly News Features, 1953), pp. 226–228.

<sup>7</sup> Also known as the President’s Advisory Committee on Government Organization. The PAGCO Final Report is in the Eisenhower Library, Records of the U.S. President’s Advisory Committee on Government Organization, Box 4.

The Hickenlooper Committee, and another study committee in the field of information and cultural programs headed by William Jackson,<sup>8</sup> sought to head off the Rockefeller Commission recommendations and to assure that the cultural and information programs should remain in the Department. These study committees actively pressed their dissent to the Rockefeller recommendations. Still, the President submitted to the Congress in June 1953 Reorganization Plan No. 8 establishing USIA,<sup>9</sup> which absorbed the activities of the former International Information Administration. The final decision left exchange programs in the Department, as a result of a compromise between the views of Secretary Dulles and the two study committees. USIA thus came into existence in August 1953, and the Exchange of Persons Program became a division of the Office of the Assistant Secretary of State for Public Affairs.

In 1958 the Rockefeller Commission changed its views and proposed that USIA be brought back into the Department, under an Under Secretary for International Cultural and Information Affairs. By that time Secretary Dulles was no longer opposed to having USIA activities in the Department. In March 1959 legislation was drawn up aimed at returning USIA to State. The bill was never acted upon by the Congress, and the President established a Committee on Information Activities Abroad.<sup>10</sup> With the waning days of the Eisenhower Administration, the idea of returning USIA to State was quietly shelved.

In late 1960 President-elect Kennedy set up various task forces, one of which dealt with the role of USIA. The Free-Davison task force recommended that USIA remain an independent agency, and that its director become an ex-officio member of the NSC. However, Senator Fulbright's opposition to absorption of the State Department's educational and exchange programs by USIA led President Kennedy to abandon the project, and to elevate the role of the cultural exchange program by establishing the Bureau of Cultural Affairs (CU) headed by an Assistant Secretary. The Bureau was strengthened by the passage of the Fulbright-Hays Act of 1961,<sup>11</sup> which called for efforts to create

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<sup>8</sup> For text of the report of the President's Committee on International Information Activities, submitted to President Eisenhower on June 30, 1953, see *Foreign Relations*, 1952-1954, vol. II, Part 2, National Security Affairs, Document 368.

<sup>9</sup> 18 Federal Register 4542, 67 Stat. 642.

<sup>10</sup> Known as the Sprague Committee after its Chairman, Senator Mansfield D. Sprague, the Committee was charged with reviewing the findings and recommendations of the Jackson Committee. It submitted its report to President Eisenhower on December 23, 1960. The final report is in the Eisenhower Library, Records of the U.S. President's Committee on Information Activities Abroad, Box 25.

<sup>11</sup> P.L. 87-256.

greater mutual understanding by demonstrating US educational and cultural interests.

From 1961 until 1977 the organizational arrangements between USIA and CU have remained basically unchanged, despite references to the CU-USIA relationship in campaign platforms in 1968 and 1972. In 1973 the Chairman of the Senate Foreign Relations Committee, reacting to an invocation of executive privilege by the USIA Director, questioned the value of USIA activities and in a report suggested that some functions be undertaken under different organizational arrangements. Specifically, the Committee suggested that serious consideration be given to removing VOA from the Executive Branch entirely and establishing it as a division of the Corporation for Public Broadcasting.

### *Congressional Attitudes*

Essentially, there is limited Congressional interest in the question of USIA's relationship to the Department of State. If one were to poll the present Members of both houses on the subject today, probably 90% of the respondents would state disinterest or "no information about" reorganization possibilities.

Nonetheless, the other 10% include some important Members of the Congress whose views are critical to the Department of State and USIA.

In the Senate, those who favor sweeping reform are limited to a few, led by Senators Percy and McGovern on the Senate Foreign Relations Committee. They endorse the Stanton Report (and have been heavily lobbied by Stanton personally). Other Members of the Committee interested in this subject include Humphrey and Church, who are strongly opposed to the Stanton Report and who favor an approach closely akin to that of Ambassador Reinhardt. Our headcount of the Committee when it was to have considered the Percy amendment embodying the Stanton proposals<sup>12</sup> was eleven opposed, and five in support. There is no significant interest in this question in the Senate outside the Foreign Relations Committee.

In the House, interest centers in the International Relations Committee. State Subcommittee Chairman Fascell and his ranking minority member Buchanan are the two principal interested parties. They both oppose the Stanton Report. Their views on a Reinhardt-type arrangement are probably favorable, although we have not consulted them on this specific proposal.

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<sup>12</sup> The *Washington Post* reported that on May 3 Percy submitted an amendment to the Foreign Affairs Authorization Act to break up USIA and create an independent Voice of America. ("Percy Introduced Legislation to Break Up USIA, Create Independent VOA," *Washington Post*, May 4, 1977, p. A3)

There is strong support for USIA funding in general, and particularly for VOA, throughout the Congress. Ethnic groups in the United States feel that they are represented internationally by the VOA language services, and provide particularly strong support for VOA. The other activities of USIA are also popular, although without such a clearly defined constituency.

There is some general Congressional interest in the exchange program. The Hays-Fulbright Act still retains its positive halo and Fulbright's crusade to maintain the exchange program within the State Department, "to avoid its becoming tainted as a propaganda device," enjoys a residue of support, especially within the academic community. Our judgment is that this view has largely faded with Fulbright's departure from the scene.

The bottom line in terms of Congressional attitude is that there is limited interest, and we have a reasonably free hand to approach the question of reorganization as long as we consult with those few who are clearly interested: Fascell, Buchanan, Humphrey, Church, Sparkman, Case, Percy, and McGovern. We can count on skepticism toward any reorganization which might be costly in terms of money or senior positions, unless we can demonstrate a real need.

#### *Analysis of Reform Proposals*

##### *Stanton Panel*

The key element of the Stanton Panel report and its most problematic feature is its proposal to separate "policy information" and "policy advice" from longer-range general information and cultural programs of USIA and CU, merging the former with the Department and giving the latter clear distance from policy information and advice functions. In the Panel's view, policy information and policy advice activities (the wireless file, media guidance abroad, policy direction to VOA, and analysis of foreign media and public opinion) would benefit from closer proximity to those responsible for policy while the creation of a new Bureau of Policy Information, along with the establishment of a Deputy Under Secretary for Policy Information, would enhance the role of current information programs in the Department. The quality of policy information activities would improve and overseas posts would receive more timely and policy-relevant guidance.

The creation of a separate agency for Information and Cultural Affairs (which would include USIA's cultural exchange and general information programs, but not VOA) would, according to the Panel, give general information and cultural activities greater credibility overseas since they would be disassociated from policy. Integrating the CU cultural exchange program with these other USIA programs would bring together all the functions having as their purpose increasing



mutual understanding between the US and other countries, and establish a single line of responsibility to one headquarters agency, viz. the new Information and Cultural Agency under State, in that way correcting the present unnecessarily complicated division of similar work between USIA and CU.

Stanton contends that the establishment of an independent Voice of America would enhance VOA's credibility overseas. Finally, the integration of the USIA's career service in the Foreign Service would, in Stanton's view, provide greater personnel flexibility.

A central argument against the Stanton recommendations is that information programs are an integral function and that fragmenting responsibility for that function (i.e., policy information and general information) among three agencies (State, the proposed Information and Cultural Agency and VOA) would not only be artificial, but would also risk undermining centrally-directed, coherent and policy-oriented information programs. In fact, USIA is finding that handling contemporary problems requires greater program unity, as reflected in its new "thematic program" technique. In Iran, for instance, this might take the form of a three-day seminar on petrodollar recycling attended by both American and Iranian journalists, bankers, academicians and government figures. Obviously the essence of such an approach is the combination of press, general information and exchanges in a single program. As the Stanton report itself acknowledged, "It was the unanimous opinion of the Public Affairs Officers and Cultural Affairs Officers with whom the Panel met that the overseas program itself must operate as a unit . . .".

Implementing the Stanton proposal in the field would require establishing two offices (which may in some instances cause increases in staffing), one headed by a Press Counselor or Attache answering to the Department and another headed by an Information and Cultural Counselor or Attache answering to the new agency. In practice a foreign policy issue of topicality at one moment would be handled by the press staff while the same issue in its longer term context would be the responsibility of the information and cultural staff, leading to unnecessary confusion.

Another weakness of the Stanton proposal is that it would create an independent information and cultural agency but would take away the policy guidance that is necessary to provide a focus and aim for information and cultural programs. The probable effect of separation would be that general information programs, cut loose from association with current policy information and policy advice, would slide increasingly away from current foreign policy matters and more and more into the arts, without any link to practical issues and foreign policy goals. This danger is anything but hypothetical. The German, Japanese,

French and Swedish governments have found that their overseas cultural operations are often beyond embassy control and that they frequently have little value or relevance to government objectives. The German and Swedish governments in the past year have consequently taken steps to integrate their information programs.

Creation of an independent VOA would greatly aggravate the long-existing tendency of VOA to ignore policy guidance. An independent VOA would be beyond effective day-to-day Executive Branch control and would greatly compound the difficulties which the Department and embassies have experienced when VOA follows its own political line. Policy control is now far from complete but it is increasing. The Stanton recommendations would move in the opposite direction. The putative advantage—that VOA broadcasters would gain in credibility through organizational independence—is unconvincing. VOA's bureaucratic status would mean nothing to an overseas audience.

For the reasons outlined above, the Stanton recommendations are strongly opposed by the USIA career staff, American Foreign Service Association and American Federation of Government Employees (which is the exclusive bargaining agent for USIA employees).

The Stanton recommendations could be implemented under the Government Reorganization Act<sup>13</sup> (subject to the one-House veto contained in that Act). However, the integration of the USIA and Foreign Service personnel systems would require separate legislation.

#### *GAO Report*

In May the GAO published an analysis of the recommendations of the Stanton Panel,<sup>14</sup> prepared at GAO initiative and not at Congressional request. Central to the GAO analysis is its conclusion that the Stanton Panel failed to find sufficient defects in the present system to justify the sweeping changes proposed. "The (Stanton) Panel's approach would achieve a certain tidiness on paper at the expense of arrangements that have essentially met the test of practicality and performance."

The GAO opposed the Stanton recommendation to transfer USIA policy information and policy advice functions to the Department, though acknowledging that policy guidance by State to USIA could be improved. The GAO pointed out that the Department's professional skills and procedures do not lend themselves to this journalistic role (although the Department would take over USIA personnel), and con-

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<sup>13</sup> P.L. 95-17.

<sup>14</sup> Not found.

cluded that giving the Department these responsibilities would accordingly make the presentation of US foreign policy abroad less effective.

The GAO report also rejected the Stanton Panel's recommendation to make VOA an independent agency. In the GAO's view there is no evidence that VOA now lacks credibility. Taking up the principal criticism by Congressional proponents of the Stanton recommendations, the GAO concluded that "there can be circumstances in which diplomatic needs ought to prevail over journalistic concerns." It noted that instances of White House or State Department interference in VOA broadcasting are—and should be—highly unusual. The GAO recommended that the present structural relationship between VOA, USIA and the Department should be maintained, while recommending certain improvements in working coordination between the three organizations.

Addressing the Stanton recommendation which would reorganize information and cultural activities in US missions overseas, the GAO maintained that the proposed realignment of the functions would fragment information and cultural staffs and reduce the effectiveness of field operations.

The GAO endorsed the Stanton recommendation to transfer CU to USIA. Also, and relevant to the President's interest in government reorganization, the GAO report noted that this step would permit the elimination of one Public Advisory Commission by consolidating the functions of the USIA and CU Public Advisory Commissions. The Stanton proposal would permit this consolidation as well.

The GAO offered no final recommendation on the relationship of the new agency to the Department, suggesting only that the choice be made after a careful study.

The GAO proposals could be accomplished under the Government Reorganization Act. Personnel could be moved to new or different agencies, but the personnel systems could not be integrated without separate legislation.

#### *Report of the US Advisory Commission on Information*

USIA's Public Advisory Commission published in early May a report<sup>15</sup> reflecting on the organizational proposals of the Stanton and GAO reports, and offering a number of additional specific recommendations on USIA programs and resource allocation.

The Commission favored transferring CU activities to USIA, saying that the continued divorce in Washington of the cultural and educational programs is "illogical and inefficient." The Commission also

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<sup>15</sup> Not found.

found that VOA should remain “fully integrated with the agency responsible for administering the government’s foreign information program.” Given the importance of the VOA within USIA (one-fourth of personnel and budget) the Commission recommended that the VOA Director become a Deputy Director of USIA.

The Advisory Commission opposed the integration of USIA into the Department as it is currently organized. However, the Commission found merit in the eventual return of USIA to the Department under an outline calling for co-equal branches of political, economic and public diplomacy, and recommended that OMB and GAO undertake a study to test these principles.

The most noteworthy aspect of the Commission’s report lies in the fact that three of its authors were also members of the Stanton Panel, and their endorsement of the Commission’s views represents important defections from the Stanton recommendations. This fact was discussed during the Senate Foreign Relations Committee’s consideration of this issue, and may have been influential in the watering-down of Senator Percy’s amendment.

#### *Reinhardt Proposal*

At your request, Ambassador Reinhardt submitted his recommendations on reorganization (text at Attachment 2). In his approach to the problem, Ambassador Reinhardt set up broad criteria by which reorganization proposals should be judged, including: greater effectiveness in cultural and information programs, linking public diplomacy to the conduct of foreign policy, and providing for the integrity of educational exchange programs.

After discarding options which would either reject change or propose complete integration of USIA into the Department, Ambassador Reinhardt considered two choices: the Stanton Panel proposal or an arrangement along the lines of the GAO report—with the only difference that USIA would assume an ACDA-like relationship to the Secretary of State and would no longer report exclusively to the President.

Ambassador Reinhardt favored the second choice, arguing that exchange and information programs reinforce each other and that the conduct of foreign policy is promoted by organizational coherence rather than by fragmentation of responsibilities.

Ambassador Reinhardt proposed an ACDA-like relationship with the Department which would move USIA closer, in his view, to foreign policy but would preserve its professional and budgetary autonomy.

Regarding VOA, Ambassador Reinhardt concluded that VOA does not lack credibility—a point not contested by the GAO—and he therefore proposed continuing the present arrangement. He suggested, however, that the President should declare that news broadcasts would

not be censored and that any instances of policy intervention would be reported to Congress.

The Reinhardt proposals would avoid causing the problems to USIA's structure and to the morale of USIA's career staff that could result from implementation of the Stanton report. In contrast, they would unify the exchange program with other information and cultural activities, in that way enhancing program coherence and central management.

Three questions arise from such a reorganization: whether this Department and its overseas posts would lose influence over the exchange program, whether Congress would continue to be generous in its financing of the programs, and whether the exchange program would be perceived as being "tainted" or submerged in USIA. It is important that in a reorganization the present separate appropriation for cultural exchange activities be maintained. Also, under a reorganization the Department should have responsibility for guiding cultural exchange program decisions.

Moreover, while the proposed statement of non-censorship could be useful in fulfilling the President's desire to ensure VOA's integrity, such a declaration would weaken USIA's control over VOA and could lead to disputes over the nature of policy guidance to the Voice. Also, the requirement of reporting to Congress policy interventions with VOA would further expand de facto VOA independence.

*Recommendation:*

In assessing the potential advantages and disadvantages of each of the courses of action analyzed in this paper, we have been guided by the view that our public diplomacy operates today in a generally effective manner and that no fundamental changes are desirable.

*Policy Information and Policy Advice*

The Stanton Panel proposed that the current USIA policy information and policy advice functions should be moved to the Department, placing general information activities in an independent agency. We see significant disadvantages in that alternative.

Information activities—whether directly related to US foreign policy or generally descriptive of American society and culture—are complementary. For instance, a spokesman's credibility on policy issues is enhanced by his identification with general information and cultural programs. To fragment the information function would also disrupt the operation of the information programs by splitting up the USIA staff abroad which currently manages these programs.

USIA's policy advice role, advising on the implications of foreign opinion for US policies and programs, is also related to the policy

information function, and none of the reports recommend that they be separated. The professional independence of USIA in the policy advice field has tended to assure greater objectivity and wider scope in the reporting and analyzing of foreign opinion.

The advantages of organizational simplicity achieved by linking the policy information function with the policy-makers in the Department and placing that function alongside the bureau with comparable domestic responsibilities are outweighed, we believe, by the dislocations which would ensue. The result, in our view, would be weakened programs and less effective coordination between the various information and cultural functions. We support the GAO recommendations and Ambassador Reinhardt's proposals, which would maintain the information function intact, and in USIA.

#### *General Information*

The task of depicting and interpreting American society and culture to foreign audiences is a specialized activity often requiring different skills from those necessary in traditional diplomacy. All the reports under consideration agree that the general information function should remain in USIA or (in the case of Stanton) in a successor agency. We agree, and make no recommendation for change.

#### *Cultural Exchange*

We concur with the findings of the various reports that all exchange activities should be consolidated in one agency. The Stanton Panel proposed that exchange activities be grouped in an Information and Cultural Affairs Agency, a successor to USIA, arguing that combining the current USIA and CU functions would have the advantage of simplifying communications channels. The Panel reasoned that the consolidation of exchange activities with the general information function would be beneficial to both, and facilitate program activities based on both exchange of persons and media products.

While consolidating exchange functions with general information in USIA is generally agreed to be advantageous, there are potential drawbacks: There is the risk that the Department's influence on the exchange program, in support of foreign policy goals, will diminish. This is manageable, we believe, given the probability that existing coordination would be enhanced if USIA were moved closer to the Department, in a relationship comparable to that of ACDA.

Another risk lies in the possibility that the Congress may become more reluctant than in the past to fund exchange programs at present levels if the program is managed by USIA. Objections may also be raised to the potential "taint" of the cultural exchange programs by association with other activities of USIA. These are serious problems,

but in our view might be substantially overcome by maintaining the exchange program's present organizational and budgetary autonomy, under a separate appropriation. In addition, during hearings on this issue in coming weeks, efforts could be made to gain congressional support for the consolidation of the exchange program in one agency, on the grounds of greater managerial efficiency. It could also be pointed out to the Congress that over many years the management of exchange programs by USIA officers in our missions overseas has not proved to be a problem.

The consolidation of cultural exchange functions within the Department, rather than within USIA, is still another option. This alternative, however, would leave information activities in USIA divided, with State operating exchange activities both at home and abroad, and with closely allied general information functions remaining in the hands of USIA. A variation would be to place general information functions also in State. These courses have no congressional support, would fragment information and cultural activities and would threaten morale in the USIA career service. For these reasons we conclude that consolidation of cultural exchange and general information functions should be within USIA, rather than State.

#### *Voice of America*

The issue of VOA, with its tripartite mission of supporting American foreign policy, depicting American life and culture, and broadcasting the news, turns on the question of credibility. The Stanton Panel does not assert that VOA lacks credibility, but implies as much in recommending that its credibility would be enhanced by separation from USIA. The issue depends on a matter of judgment as to whether VOA is deficient in credibility, and whether giving it greater independence will produce a better result.

We are persuaded that separate billing as an independent agency will not appreciably alter VOA's image as a US government entity. Further, if VOA acts more independently of US foreign policy, it will be less useful in promoting US foreign policy interests. It seems likely that a separate VOA, under a Board of Overseers, would be less responsive to US foreign policy concerns. There is no reason to believe that VOA's credibility, which is considered high, would be substantially improved through the independent establishment of VOA outside both State and USIA.

#### *Conclusion*

In summary, we have examined the role of the various components of public diplomacy, with an eye to the special nature of each, in search of an organizational structure which would enhance our ability to pursue foreign policy interests through public diplomacy. In our view



the proposal by Ambassador Reinhardt satisfies more of the necessary requirements than does any other proposal. We recommend you approve the memorandum to the President at Attachment 1.<sup>16</sup>

## **Attachment 2**

### **Paper Prepared by the Director of the U.S. Information Agency (Reinhardt)<sup>17</sup>**

Washington, undated

#### **Reorganization Proposal: International Information, Cultural and Educational Activities of the U.S. Government**

##### *I. Introduction*

American “public diplomacy” includes three major elements: exchanges and cultural programs, information and persuasion, and radio broadcasting.

USIA employs almost 9,000 people and its FY 1977 budget is \$263.9 million; of these totals, the Voice of America accounts for 2,300 employees and \$68.0 million. (In constant dollars, the USIA budget has declined by almost 16% since 1969, and we have almost 20% fewer employees on our rolls in 1977 that we did eight years ago.) The budget of the educational and cultural exchanges program, which is staffed in Washington by 262 employees of the Department of State, is \$59 million this year.

At posts abroad, the exchange, cultural and information/persuasion programs are under unified management by USIA officers. This unified approach has worked well for almost 25 years. Program management in Washington, however, has not been unified since President Eisenhower moved USIA out of the Department of State—but left the exchanges program behind—in 1953.<sup>18</sup> Most observers agree that a different approach to program management in Washington would be beneficial. There are different approaches to reorganization before us, however.

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<sup>16</sup> Not found attached. Attachment 3, a copy of the Stanton Panel Report, was also not found attached.

<sup>17</sup> No classification marking.

<sup>18</sup> A reference to Reorganization Plan No. 8 of 1953.



The purposes of this paper are to state the criteria by which reorganization proposals should be judged, outline the differing proposals for reorganization, and present a recommendation.

## II. *Assumptions, Criteria and Purposes*

I take it as a given that the United States should have an agency which is engaged in enhancing long-term mutual understanding between this society and others. I take it as a given that the U.S. should have an agency whose purposes are to explain American foreign policy objectives to others and to create the basis for long-term understanding of, and support for, U.S. policy in critical sectors of other countries. I also take it as a given that USIA has not been as successful in this latter endeavor as it might have been; this reflects program deficiencies which we will attempt to remedy, but it also reflects past lack of interest in both USIA and the Department of State in creating a more harmonic relationship.

If, for example, the success of U.S. initiatives in such sensitive psychological areas as human rights, north-south relations, and the foreign perception of U.S. will and steadiness depends on the quality of our policies and diplomatic initiatives, it also depends on how we are “heard” and understood abroad—and by whom. Paradoxically, the explosion of international communications networks has accentuated the need for an institution which is single-mindedly devoted both to the creation of enduring intellectual linkages (exchanges) and the pointed presentation of U.S. society and purposes (USIA and VOA). In a world characterized by information dispersion, *no other information network has the U.S. national interest in mind.*

Within this context, the following criteria are pertinent in judging reorganization proposals:

—Does the proposal promise greater coherence to the whole range of U.S. cultural and information programs?

—Does the proposal have the promise of directing these programs increasingly to the national interest?

—Does the proposal provide for adequate foreign policy guidance, but safeguard the integrity of cultural and educational exchange programs?

—Does the proposal link “public diplomacy” to strategic foreign policy concerns in a way which enhances attainment of the latter?

—Does the proposal accomplish the foregoing without adding to the policy or management burdens of the Secretary of State and the President?

Finally, I should note that USIA has been operating under a statement of mission issued by President Kennedy in 1963.<sup>19</sup> It has become badly outdated. It is the subject of sharp, justified criticism by the Stanton Panel, a recent GAO study, and others. A new statement of mission from President Carter will be an important element of any reorganization. In my view, any such mandate should direct the new entity to:

—Foster *improved international understanding* by establishing and encouraging the flow of information and perspectives between Americans and the people of other countries, particularly those who shape attitudes, actions and reactions affecting the United States;

—Communicate to the people of other countries a *balanced and comprehensive view of American life and thought*, by direct contact and discussion, over worldwide radio and through available and acceptable media techniques in the countries concerned;

—Explain to people of other countries America's foreign policy expectations, attitudes and objectives and, within this framework, *to articulate and support U.S. policies and initiatives* directly, advising American foreign policymakers on attitudes and opinions abroad that are relevant to U.S. interests.

### III. *The Options*

There are four basic organizational options. Two, however, rally no support. The *status quo*, it is universally agreed, is inadequate. And almost every student of the problem has opposed the complete integration of USIA into the Department of State. The two major options now on the table are:

*Option 1:* the Stanton Panel report, presented in 1975 and supported by the Murphy Commission. It would combine CU's exchange functions with the cultural and "long-range information" activities of USIA in a semi-autonomous agency. Under this proposal the "policy articulation and support" role of USIA, together with the press attaches abroad, would be assigned to the Department of State under a Deputy Under Secretary for Policy Information. The VOA would become an independent entity under a Board of Overseers (on which the Deputy Under Secretary would sit for policy purposes); to assure that the VOA presented an accurate account of U.S. foreign policy, spokespersons in the Department's new Office of Policy Information would have direct access to broadcast time.

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<sup>19</sup> See Document 144 in *Foreign Relations, 1961–1963*, vol. XXV, Organization of Foreign Policy; Information Policy; United Nations; Scientific Matters.

*Option 2:* combining the present CU and USIA functions in a semi-autonomous agency with an ACDA-like relationship to the Secretary of State, on the assumptions that: (1) the benefits of mutual reinforcement between exchanges and cultural and information programs have been demonstrated by experience abroad; (2) the conduct of foreign policy is enhanced by organizational coherence, rather than further fragmentation. VOA would remain a major component of the new agency. Its straight news reporting would not be subject to prior censorship, although its commentaries and analyses would be informed by foreign policy guidance and considerations. The director of VOA and the head of the exchanges/cultural programs would have enhanced status in the new agency; the integrity of the cultural/exchanges programs would continue to be safeguarded by the Board of Foreign Scholarships.

#### IV. *Discussion of Major Issues*

*Integration of CU and USIA.* Exchanges programs are currently managed in the U.S. by the Department of State (CU), but the Department reimburses USIA to conduct the programs abroad. When USIA was separated from the Department in 1953, the separate headquarters jurisdictions were established, largely at the insistence of Senator Fulbright, to prevent the contamination of “culture” by “propaganda,” at least in the U.S. This argument is seldom heard in 1977, even from the thousands of American academics who have participated in various exchanges programs.

There is now almost universal support for integrating the Washington managements of CU and *at least* portions of USIA. The most cogent cases are contained in the Stanton Panel report and a GAO study to be published in early May. In 25 years of experience, there has been no serious criticism of the manner in which USIA has executed CU’s programs at its posts abroad. A single headquarters operations makes managerial sense.

The Stanton Panel recommended the division of the public diplomacy function in another way, as Option 1 above suggests. The GAO report, on the other hand, recommends against division of “culture” from the policy articulation and support roles of USIA on grounds which I support: The distinction between long-term and short-term public diplomacy programs is more apparent than real; it would perpetuate fragmentation at headquarters and export it to field posts. I believe there are ways to lend additional force to our support for strategic foreign policy concerns abroad without compromising the integrity of the exchanges programs or dividing our forces in embassies abroad.

*Safeguards for Cultural Exchanges.* It will be important, if we enhance the intellectual and organizational linkages between a new agency and the Department of State, that we not compromise the integrity of our

long-term cultural and exchanges programs. I state this simply to underscore its importance to me. Those who argue that combining CU with USIA risks contamination of the exchange/cultural programs do so from what I regard as a false premise. The programs have, after all, operated without contamination and under the direct supervision of Department policymakers—and in the same USIA hands abroad—for 25 years. It *will* be important, however, to maintain the Board of Foreign Scholarships to assure the continued integrity of these programs.

USIA's lawyers inform me that in uniting the functions of CU and USIA there is no legal contradiction between CU's emphasis on "mutuality" and the "two-way character" of exchanges programs, on the one hand, and the statutory injunction that USIA not distribute its materials in the U.S., on the other. While this injunction should certainly be extended to the new organization, the Smith-Mundt Act (the source of this injunction) and the Fulbright-Hays Act (which governs the exchange programs) are not mutually exclusive. A Reorganization Plan would, of necessity, address the realignment of responsibilities assigned to State and USIA by Executive Order 11034<sup>20</sup> and by Reorganization Plan No. 8 of 1953.

*Loss of USIA Independence.* There are differences of opinion but not sharp differences, so far as I can tell—as to whether an agency combining the present functions of USIA and CU should remain independent or bear a more direct relationship to the Secretary of State. Similarly, there are those who would prefer that the new agency have an ACDA or AID-type relationship—organizationally distinct but reporting to the Secretary—and others who believe it should move directly into the Department under the wing of a new Under Secretary.

In no case do I find the arguments, pro or con, overwhelmingly persuasive.

*Continued independence* has the advantage of lending modest additional status to public diplomacy; as a practical matter, it also leaves the agency without a real "home", since Presidents have rarely given USIA much attention. *Complete integration* would maximize the harmony between public and classical diplomacy, but minimize the public standing of the former.

My recommendation is in behalf of the middle ground: an ACDA-like relationship to the Secretary of State which moves the new agency closer to foreign policy, but preserves its professional and budgetary autonomy, and keeps operational decisions and management problems off the Secretary's desk. The American Federation of Government

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<sup>20</sup> E.O. 11034, "Administration of the Mutual Educational and Cultural Exchange Act of 1961," signed by President Kennedy on June 25, 1962.

Employees (which has exclusive representation rights in USIA) would prefer an independent agency, but would not oppose less-than-independent status if it provided sufficient autonomy. AFSA wants all the functions combined, in or out of the Department. Apart from the Stanton Panel and the GAO report, no other important voices have declared themselves.

*The Status of VOA.* The future organizational status of the Voice of America provokes more public contention than any other element of reorganization.

As the Stanton Panel notes, VOA has operated under a three-point mandate for more than 15 years (a mandate endorsed by the Panel and written into law last year):<sup>21</sup>

—VOA is to be a “consistently reliable and authoritative source of news . . . accurate, objective and comprehensive.”

—it is to “present a balanced and comprehensive *projection of significant American thought and institutions.*”

—it “will *present the policies of the United States* clearly and effectively,” including “responsible discussion and opinion on these policies.”

Each element of the mandate suggests a different organizational status: independence if one focuses on integrity of the news, a direct link to the Department if policy presentation is to be the first priority, USIA if it is to represent the whole of American society. *There is no perfect solution to the VOA problem*, given the three-part mandate dictated by present legislation.

A further complication is that even were VOA to become fully independent, foreign listeners would continue to regard it as the official radio of the United States. Paradoxically, by giving Department spokespersons direct access to broadcast time, the Stanton Panel would reinforce this foreign perception.

The Stanton Panel’s priority concern was for VOA’s news credibility. I agree with the GAO report that the Panel ignored the fact that VOA’s present credibility with its audience is high—despite very occasional heavyhanded attempts at news management in recent years.

I believe the least-cost solution with respect to VOA is the organizational *status quo*, combined with an explicit statement by the President that there will be no prior censorship of news broadcasts; where extraordinary national interests do require policy intervention in news broadcasts, each such case should be reported in full to the Congress.

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<sup>21</sup> Section 206 of P.L. 94–350.

(Commentary and analysis must continue to be subject to policy guidance; on this, nobody disagrees.)

No organizational formula—and perhaps particularly not independence—will insulate the Department or VOA from occasional complaints by American Ambassadors.

My recommended solution: (a) flies in the face of the Stanton Panel but is consistent with the GAO report; (b) will not be popular with all VOA employees, but will be strongly supported by other USIA and State officials; (c) will encounter opposition from a few Senators, but will be favored by powerful voices in both Houses of Congress.

*Field Posts and Personnel Structure.* The Stanton Panel, the GAO study, and other recent studies of public diplomacy have noted that cultural, information and educational activities abroad are administered effectively as integrated programs by USIA's field posts. No troublesome "dichotomy" of information and culture is felt. Ambassadors have someone to turn to on the Country Team who directs and coordinates all aspects of public diplomacy. The arrangement works, and should continue.

As to the personnel systems: The Murphy Commission felt that in reorganization, "personnel functions, like budget and administration, should remain separate . . . amalgamation always remains as a future option." I agree. Given the necessary structural upheavals of reorganization, the present separate but compatible personnel systems will give welcome stability to the career plans of the staff members of both institutions who will be involved in the changes. The option of personnel integration should remain open as an ideal—but future—goal.

## V. Organizational Outline

The successor organization to USIA and CU will be headed by a Director and a Deputy Director, the former reporting to the Secretary of State and having an advisory and coordinating role with the NSC and other agencies concerned with foreign relations and international exchanges.

On the second tier of the new organization will be Associate Directors for (a) Exchanges and Field Support, (b) the Voice of America, (c) Management, and (d) Policy and Plans. Each will have unfettered access to the Director of the new organization, but will work closely with the Deputy.

The Assistant Directors for the five geographic areas will report to the Deputy Director.

The principal opportunities for saving money and positions lie in the offices of Management and of Exchanges and Field Support. These two sub-units will absorb between them ten offices now administered

by Assistant Directors who report directly to the Director of USIA, and a number of functions associated with CU offices.

VI. *The Process: Suggested Procedures*

If you agree with a reorganization on this pattern, I suggest the following:

- Immediate designation of a small working group (no more than four or six people) from the Department and USIA, to draft a Statement of Mission, plan the most practical distribution and amalgamation of functions, and work with Department and USIA legal staffs on a detailed Executive Reorganization Plan establishing the successor organization to CU and USIA;

- Submission to the White House of a draft Reorganization Plan, with necessary back up, by May 20;

- Coordination of approach and efforts toward reorganization with OMB's Reorganization and Management Staff, GAO, the two unions (AFGE and AFSA), and key members of appropriate Congressional committees and other Senators and Congressmen;

- White House submission of the Reorganization Plan to Congress by June 15;

The pace is being forced somewhat by the Hill. The Senate International Relations Subcommittee (McGovern) has already asked about reorganization; we understand that the House International Operations Subcommittee hopes to have your lead-off testimony on reorganization questions on May 26. (The GAO paper will be published in early May, we understand.) If the Administration has not submitted a plan by May 26—but is close to doing so—we might get the House Committee to delay the hearings for two or three weeks.

- If neither the House nor the Senate has disapproved the plan by August 15, rapid implementation beginning September 1;

- Completion of structural reorganization, in phases, by December 31. Plans for physical amalgamation and relocation should be incorporated in the 1979 budget, by amendment if necessary.



**136. Memorandum From Secretary of State Vance to President Carter<sup>1</sup>**

Washington, June 13, 1977

**SUBJECT**

Reorganization of State-USIA Relations

In the light of your commitment to government reorganization and of the continuing congressional interest in our information and cultural programs, I have considered what, if any, organizational changes might be necessary to improve the conduct of the country's public diplomacy. As you are aware, this issue has been the subject of studies by a number of groups over several years.

The studies have identified five principal functions within public diplomacy: (1) "Policy information" is disseminated by USIA to provide overseas missions with background and policy guidance on current issues. (2) "Policy advice" involves the analysis of foreign opinion with a view to its implications for US policies and programs. (3) "Cultural exchange" is managed by the State Department at home and by USIA overseas. (4) "General information" consists of media and other activities abroad to project American society. (5) The Voice of America provides the medium for broadcasting the news, depicting American culture and influencing foreign attitudes in directions favorable to US foreign policy goals.

The Department has concluded a study of the full range of organizational possibilities, including:

- maintaining the status quo;
- adopting the recommendations made by a 1975 panel headed by Frank Stanton which would abolish USIA, move that Agency's policy information and advisory functions into the State Department, create a new Information and Cultural Agency to handle USIA's general information and cultural programs, and give VOA independent status.
- giving the Voice of America independent status while leaving USIA otherwise intact;
- shifting the State Department's exchange of persons program to USIA, while giving that Agency a relationship to the Department comparable to that of either ACDA or AID.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 3, Chron June 1977. Unclassified. Drafted by Wingate Lloyd (M/MO). Cleared by Joan Clark (M/MO), Moose (M), Hodding Carter (PA), Phillip Trimble (L), and Brian Atwood (H).



After a detailed analysis of these various alternatives, I have concluded that the optimum solution would be to consolidate State Department exchange programs and USIA programs in a relationship to this Department similar to that of the Agency for International Development. I have come to this conclusion for the following reasons:

—To maintain the status quo would cause us to lose an opportunity to correct a long-standing organizational defect and to improve foreign policy guidance in our information programs;

—I concur with the findings of all of the studies of our public diplomacy that all cultural exchange activities should be consolidated in one agency. The combining of functions now carried out by the State Department at home and by USIA overseas would simplify communications and facilitate broad program operations involving both exchange of persons and media products. On balance, I believe the risks (such as a possible reduction in the Department's influence over the exchange program and greater congressional resistance to funding exchanges) would be minimized if USIA programs were brought into a new relationship with the Department, comparable to that of AID, and if we maintain the exchange programs' present organizational and budgetary autonomy;

—With regard to the locus of the policy information and policy advice functions, I see significant disadvantages in the Stanton Panel proposal that these programs be split out from general information activities. The various information activities complement one another, and to fragment them would result in weakened programs and less effective coordination;

—To establish an independent Voice of America would aggravate the present tendency of Voice of America to act outside established policy. An independent Voice of America would make difficult effective guidance by the Department. I am not persuaded that VOA would gain in credibility through organizational independence—a contention of the Stanton report and Senator Percy. VOA's bureaucratic status in Washington would be meaningless to an overseas audience.

—As to the organizational relationship between the Department and the new USIA, we considered the models presented by ACDA—an independent agency under the direction of the Secretary of State—and AID—an agency within the Department of State. In my judgment, a relationship on the AID model is preferable. The present USIA, like AID, has a world-wide range of operational activities which are complementary to the basic mission of the Department of State. Under an AID-like relationship we will be better able to integrate the conduct of public diplomacy with traditional diplomacy, and to achieve greater efficiency in our international information and cultural operational activities.

In sum I propose that we move in the direction of consolidation, rather than fragmentation, in the organization of our public diplomacy resources. Clear policy guidance is essential, and the integrity of news and cultural programs must be protected.

Diagrams of present and proposed organizational relationships are attached.<sup>2</sup>

During the course of the summer we will be examining each of the State and USIA activities involved in this reorganization. During that review we would consider the current mission of these programs, whether any present activities should be reduced, eliminated or expanded, and also whether there should be a change in the name of the agency through which our public diplomacy is conducted.

Important congressional issues remain, and before proceeding further on this question, I would like your approval on the course of action outlined above.

The Fascell Subcommittee of the House International Relations Committee has begun a series of hearings on public diplomacy and the State-USIA relationship. Deputy Secretary Christopher will testify June 21. Also, related hearings on international communications have been held by the McGovern Subcommittee of the Senate Foreign Relations Subcommittee. A Senate sponsored amendment to the Department's pending authorization bill would call for a report on these issues in October.

If you agree, I would propose that we outline in the forthcoming House hearings the issues discussed above, and the general direction of our thinking. We would describe the reasoning as our own, and make it clear that no final decisions or detailed plans have been made. We would then seek the Committee's views and undertake on behalf of the Administration to give them appropriate consideration in the development of our reorganization program.

*Recommendation:*

That you approve the course of action described above.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_<sup>3</sup>

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<sup>2</sup> Attached but not printed.

<sup>3</sup> Carter selected neither option.

**137. Memorandum From Paul Henze of the National Security Council Staff to the President's Assistant for National Security Affairs (Brzezinski)<sup>1</sup>**

Washington, June 15, 1977

**SUBJECT**

Reorganization of USIA, etc.

Secretary Vance has submitted his recommendations to the President on reorganization of USIA.<sup>2</sup> They are good. State CU, according to this plan, will be amalgamated with a restructured USIA, but the whole entity (perhaps renamed) would be subordinated to State after the pattern of AID. VOA remains part of USIA as it is now, but would of course end up in a closer relationship to State. These recommendations represent a rejection of most of the Stanton Report and are welcome from this viewpoint. My only quarrel is with the subordination of the revised USIA to State. It is to the advantage of the White House to retain its present status as an independent agency, which it has been since 1953. No former USIA director has advocated its amalgamation into State and many Congressmen and Senators take a dim view of this proposition. I have summed up these views in the attached memorandum from you to the President (Tab I).<sup>3</sup>

At lunch today I discussed all these matters in detail with John Reinhardt. The main advocate at State of subordination, he says, is Assistant Secretary for Cultural Affairs Duffey. Reinhardt prefers independent status, as now, but is prepared to compromise on a relationship with State like that of ACDA. He is very pleased, by the way, at the growing relationship between USIA and the NSC Staff and wishes to expand it.

**RECOMMENDATION**

That you send the attached memorandum at Tab I to the President.<sup>4</sup>

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<sup>1</sup> Source: Carter Library, National Security Affairs, Brzezinski Material, Agency File, Box 17, State: 6/77. Confidential. Sent for action. A copy was sent to Schechter.

<sup>2</sup> See Document 136.

<sup>3</sup> Not found attached.

<sup>4</sup> Underneath the recommendation, Rick Inderfurth wrote, "I've bracketed one sentence I would delete. RI. P.S. This is needed by June 20, at the latest." David Aaron wrote in the margin, drawing a line to Inderfurth's first sentence, "Why? DA."

**138. Letter From the Subcommittee on International Operations  
of the House Committee on International Relations to  
President Carter<sup>1</sup>**

Washington, August 3, 1977

Dear Mr. President:

The Subcommittee on International Operations has recently completed 10 days of hearings on issues relating to the reorganization of the USIA, the Bureau of Educational and Cultural Affairs and other programs encompassed by the term public diplomacy. These hearings were held as part of the Subcommittee's effort to work jointly with the Executive Branch on public diplomacy reorganization pursuant to an understanding between Chairman Fascell and Secretary Vance.

We want to share with you some general observations which we hope will be useful to you in deciding among various options for reorganization. Our findings are included in the attached memorandum.

We look forward to continuing to work with you to ensure the most efficient and effective use of our public diplomacy resources.

Sincerely,

**Dante B. Fascell  
John Buchanan  
Leo J. Ryan  
J. Herbert Burke  
Charles C. Diggs  
Helen Meyner  
Lester Wolff**

**Attachment**

**Memorandum for President Carter<sup>2</sup>**

Washington, August 3, 1977

From June 8 to June 24, 1977 the Subcommittee on International Operations of the House International Relations Committee heard testimony from 45 witnesses on issues related to reorganization of public

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<sup>1</sup> Source: Carter Library, White House Central Files, Box FG-151, FG-33-11, 1/20/77-9/30/77. No classification marking.

<sup>2</sup> No classification marking.

diplomacy programs. A list of witnesses is attached.<sup>3</sup> In addition, the Subcommittee received more than a score of additional unsolicited statements for inclusion in the hearing record.

Based on the hearing record, the Subcommittee has reached the following general conclusions.

1. The key to effective use of our public diplomacy resources is an awareness of the utility of these resources and a willingness to use them to further policy objectives. Reorganization is important, but only of marginal concern in dealing with this basic problem.

2. The head of the USIA (or successor agency) should be included in NSC and Cabinet meetings. Participation by the USIA Director will (a) substantially increase opportunities for maximum effective use of public diplomacy resources, and (b) allow the Agency to perform its responsibilities for explaining policy for the entire government.

3. USIA should not be merged into the Department of State. USIA must work closely with the Department of State. It is important that USIA or a successor bureau or agency have sufficient budgetary, personnel and administrative autonomy to ensure a corps of officers qualified and inspired to carry out the full range of public diplomacy in our national interests. The Director of USIA or his successor should be included in all major policy decisions within the Department of State. Similarly, lower level officials concerned with public diplomacy should be involved in all major policy formulation sessions at all appropriate lower and intermediate levels.

4. The programs administered by the Bureau of Educational and Cultural Affairs should be merged into the USIA.

5. The VOA should remain in the USIA.

6. The present authority and organization of the Board for Foreign Scholarships should be maintained.

7. The integrity of both our educational and cultural programs and of the programming of the Voice of America is of paramount concern.

Inevitably conflicts will arise over both programs in an attempt to resolve both (a) competitive short-term and long-term objectives, and (b) the distinctions between government policy and divergent opinions in the country as a whole.

No structural reorganization including the establishment of separate agencies for exchange activities or broadcasting will provide immunity from political pressures. Changes can be made, however,

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<sup>3</sup> Attached but not printed.

which will minimize the abuse of exchange programs or broadcasting activities.

8. The United States Advisory Commission on Information and the United States Advisory Commission on International Educational and Cultural Affairs can be restructured to more effectively safeguard the integrity of both exchange programs and of Voice of America programming. The following measures can ensure and safeguard the integrity and credibility vital to the success of our long-term public diplomacy programs: (a) higher caliber membership, (b) mandatory periodic reports, (c) independent staff to investigate alleged improper actions, (d) requirements for officials to notify the advisory group of pressures which would contravene the mandate of the programs, and (e) obligation of the Director to respond to the Administration and the Congress on advisory commission reports and staff investigation findings.

9. The USIA needs a fundamental internal reorganization. There are far too many officials at the assistant director level. It is important, however, that if either or both the Bureau of Educational and Cultural Affairs or the Voice of America are within a reorganized USIA that the Directors of these programs be at the highest level beneath the Agency Director and that their independent access to Congress be assured. This would further ensure the integrity and credibility of these two programs.

10. Regardless of the future relationship of USIA and CU to the Department of State, clear responsibility should be assigned to a high official of the Department of State for (a) all issues relating to the freedom of communication, (b) technical matters which may impinge on freedom of communication, and (c) coordination of public diplomacy activities of Defense, Treasury, Commerce, HEW and other agencies.

11. The mandate governing USIA operations which was issued by President Kennedy should be reviewed and updated.<sup>4</sup>

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<sup>4</sup> See footnote 19, Document 135.

**139. Briefing Memorandum From the Deputy Under Secretary of State for Management (Read) to Acting Secretary of State Christopher<sup>1</sup>**

Washington, October 5, 1977

SUBJECT

Status of the Proposed Reorganization of USIA and CU

*I. Reorganization Plan to be Submitted October 6*

Staff work in the Executive Branch on the reorganization of CU and USIA which the President called for on August 26<sup>2</sup> has nearly been completed. As you know, plans call for the consolidation of USIA (including the VOA) and CU into a new agency with an “ACDA-like” relationship to State. Acting OMB Director McIntyre is sending a memorandum to the President this afternoon<sup>3</sup> asking him to resolve the remaining issues which are noted below, and he is expected to do so in the next 24 hours. The reorganization plan is scheduled to go up to the Congress on October 6 and to be accompanied by a Presidential message explaining it. Hearings will probably be held in the next session of Congress, and the plan could take effect at some time in March 1978 (60 legislative days after submission).

*II. Remaining Issues*

1. *Mission*: The Presidential message contains a clear and satisfactory statement of mission.<sup>4</sup> State and USIA have argued that the Plan itself should also contain the same statement of mission, since it will be the Agency’s basic document in the coming period and it should be self-sufficient even when detached from the Message. The President’s Reorganization Project people object on technical grounds that such statements do not belong in reorganization plans and that there is no precedent for their inclusion.

2. *Relationship to State*: The Message and the Plan contain clear language that the Director of the new Agency will be “under the direc-

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 5, Chron October 1977. No classification marking. Printed from an unsigned copy.

<sup>2</sup> Not found.

<sup>3</sup> Not found.

<sup>4</sup> For the text of Carter’s October 11 message to Congress transmitting Reorganization Plan No. 2 of 1977 establishing the International Communication Agency and the text of the plan, see *Public Papers: Carter, 1977*, Book II, pp. 1765–1771. He transmitted amendments to the plan on November 1 and 3; see *ibid.*, pp. 1963–1965.

tion of the Secretary of State"—which is the ACDA model. In an attempt to make this more specific, we are still contesting two points cited below. Our preferred language will go to the President in McIntyre's Option Paper with contrary recommendations from the NSC and compromise positions suggested by the PRP.

(a) *Guidance.* We have urged inclusion of language requiring the Secretary to provide the Director of the new Agency with guidance "in program, policy, and budgetary planning and to work towards a consolidation of the inspection of the activities and programs of the Agency under the Inspector General of the Foreign Service." USIA agreed to these terms but the PRP and NSC opposed them as unnecessary and politically dangerous (apparently Dante Fascell opposes granting too much supervisory authority to the Secretary). The PRP suggests that we take care of this problem by exercising an active role with respect to the new Agency and also perhaps through a subsequent Presidential memorandum.

(b) *Reporting.* As in the ACDA model, the Director will be the principal adviser on matters within the Agency's scope to the President, the NSC and the Secretary of State. The Plan then goes on to state that "the Director shall report to the President and the Secretary of State." I have opposed this reference to reporting as I think it invites separate reporting channels which might be taken advantage of in the future.

3. *Name:* Two names are still in contention: "The Agency for International Communication" and "The United States Communications and Cultural Exchange Agency." We have not indicated a preference.

### III. *Integrity of the Educational and Cultural Exchange Program*

The Presidential message contains a plain statement that the integrity of the educational and cultural exchange program will be maintained. The Message and Plan also state the President's intention to nominate an Associate Director to be responsible for direction of the educational and cultural exchange programs, and this official will be subject to Senate approval. Although we had urged inclusion of additional hortatory language on "integrity" in the Plan, the PRP people found it inappropriate, and I have not contested this further. The integrity issue is obviously fundamental because it will be the basis for any opposition to the Plan itself.

### IV. *Personnel Statement*

The President has repeated several times the view that employees must not be hurt or lose positions by virtue of his reorganization plans and that any reductions can be taken care of by normal attrition. I discussed this matter with the Secretary twice before he left for New York and we have developed a statement, which has been given to



AFSA in advance for its information, which I will be submitting to you tomorrow for issuance at the time that the Message and Plan go forward.<sup>5</sup>

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<sup>5</sup> Tabs 1–3, the draft Presidential message, plan, and personnel statement, were not found attached.

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#### **140. Editorial Note**

On March 27, 1978, President Jimmy Carter issued Executive Order 12048, which established the International Communication Agency effective April 1. The United States Information Agency and the Department of State's Bureau of Educational and Cultural Affairs were consolidated to create the new agency. The Voice of America, however, was kept independent, as Carter had pledged. See *Public Papers: Carter, 1978*, Book I, pages 606–607, and *Congress and the Nation*, Volume V, 1977–1980, page 820.

# Creation of IDCA and USAID Reorganization

## 141. Action Memorandum From the Director of the Policy Planning Staff (Lake) to Secretary of State Vance<sup>1</sup>

Washington, February 20, 1978

### *Department of State Position on the Humphrey Bill for Foreign Assistance Reorganization*

This memorandum analyzes four options for a Department position on the Humphrey Bill for foreign assistance reorganization:<sup>2</sup>

- support the bill, with certain amendments that would bring the new Administration under the foreign policy control of the Secretary of State; alternatively,

- basically reject the bill and create a White House coordinator position, or give the coordinator the title of Administrator and budgetary power, thus accepting some parts of the bill;

- basically reject the bill and give the AID Administrator a second role as Director of Foreign Assistance, along the lines of the Director of Central Intelligence;

- reject the bill and continue as we are, pursuing internal reform and a strengthened DCC.

The major portion of this analysis is devoted to the first option. Our analysis concentrates on points most critical to your decision. The alternative options are less complex, and some have been discussed before in the context of our foreign assistance reviews.

In preparing this memorandum we have worked closely with all relevant bureaus and exchanged ideas with AID, and we have consulted with key Congressional staff people.

After you decide on the approach you prefer, we can convey your views in a memorandum from Warren Christopher to Henry Owen.<sup>3</sup>

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<sup>1</sup> Source: National Archives, RG 59, Official Working Papers of S/P, 1977–1981, Box 3, S/P—Lake Papers—2/16–28/78. Limited Official Use. Sent through Christopher. Drafted on February 17 by Curtis Farrar (S/P). Concurred in draft by Joseph Nye (T), Douglas Bennet (H), Richard Ericson (PM), Charles William Maynes (IO), Read (M), and Herbert Hansell (L).

<sup>2</sup> The Humphrey Bill, introduced in 1978, would have created the IDCA. The bill was not enacted into law. Instead the IDCA was created by Executive Order 12164 in September 1979. For the text of the E.O., see *Public Papers: Carter, 1979*, Book II, pp. 1800–1801.

<sup>3</sup> Not found.

The Department's position is due by February 21. (The PRC is tentatively scheduled for Friday, 2/24, but will probably slip.)

### *General Considerations*

The Humphrey Bill seems likely to receive serious and timely consideration by the Congress. It already has 25 Senate co-sponsors and will be viewed as a bipartisan effort aimed at reform and reorganization. Senator Muriel Humphrey has pledged that it will become a "monument" to her late husband.<sup>4</sup> Supporters of the legislation have married their proposal to the Administration's FY '79 budget request, ensuring that it will reach the Senate floor. Despite the fact that few members will have time to study and evaluate the legislation before it reaches them, it will be difficult to oppose a bipartisan reform effort. Although foreign aid is not a popular legislative subject, a new approach to the matter in the form of a legacy from Hubert Humphrey will most likely make the measure attractive to a majority of the Senate. The bill is strongly supported by the aid public and constituency—voluntary organizations, church groups, etc.

The House is taking a more cautious view of the Humphrey Bill. An *ad hoc* study group has been set up to consider the measure and make recommendations on it in time for mark-up this spring. Chairman Zablocki has co-sponsored the bill, although we do not take this as evidence of all-out support. Even if the HIRC decides not to report its own version of the Humphrey Bill, the House will have to deal with the Senate's version once it passes that body.

Despite the momentum it has achieved, however, it is unlikely to go through this year without strong Executive Branch support.

Within the Executive Branch positions diverge sharply. Governor Gilligan strongly supports the concept. Mike Blumenthal is opposed. USDA will oppose some provisions. Henry Owen, while not opposed to many of the provisions of the bill, seems to favor a White House coordinator with the title of "Administrator", a small staff, and budgetary powers.

Some rationalization of our assistance efforts would be desirable. You are familiar with the coordination problems within the building. These are magnified in the USG as a whole. Supporting the bill will probably enhance our chances of getting our FY 1979 foreign assistance requests approved by the Congress. Over the longer-term, as we seek higher levels of assistance in the future, it will be essential to make a more coherent presentation to Congress and the public than we have to date of what we are trying to achieve with foreign assistance and

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<sup>4</sup> Senator Humphrey died on January 13, 1978.

how we plan to do it. It is not certain, however, that Congress will find it as palatable politically to authorize and fund a large consolidated program as generously as separate programs with smaller individual price-tags.

*Option I—Support an Amended Version of the Humphrey Bill*

*1. Summary of the bill*

The bill, drafted by a group of staff members under the direction of Senator Humphrey in the last weeks of his life, proposes creation of a permanent, independent International Development Cooperation Administration (IDCA) which would absorb all of the existing functions of AID and, in addition, bear principal operational responsibility for US participation in international development banks and the development programs of the United Nations and other international organizations. IDCA would also absorb the Overseas Private Investment Corporation (OPIC) and would contain an institute embodying (a) the Peace Corps and (b) a program of support to private organizations engaged in development work.

The Administrator would be paid at a Cabinet level, but the bill does not specify that he or she would be a Cabinet member. The drafters anticipate, however, that like the STR the Administrator would at the very least be present at Cabinet-level discussions of development-related issues.

The bill's policy statement calls for a more forceful development effort which focuses on improving the condition of the poor majority, growth with equity, respect for rights of individuals, and integration of the developing countries into an open and equitable international economic system. By repealing the Foreign Assistance Act, the bill would eliminate many outdated provisions and restrictions which have accumulated over the years. This would be a very positive step. AID and State lawyers are analyzing the specifics.

The bill contains most authority for security supporting (economic) assistance programs but separate, new legislation would be required to authorize the military and some economic portions of security assistance. The bill as written does not involve any necessary change in committee responsibilities in the Congress.

The President would be authorized to transfer funds and personnel from other agencies to the new administration within four years. After January 1, 1979 such transfers would be subject to a Congressional veto by concurrent resolution within 60 days.

(A fuller summary of the Bill is at Tab 1.)

*2. Major provisions and changes we would like to see*

It will be possible for the Administration to negotiate directly with the Senate staff in order to make changes in the legislation as a trade-off for Executive Branch support. These negotiations could take place

before full committee mark-up. While we have not discussed specific amendments, the staffers have indicated receptivity to suggestions and improvements.

*A. Coordination with Foreign Policy*

In creating an independent Administration that is not under the control of the Secretary of State, the bill is clearly intended to reduce foreign policy influence over development assistance, and increase the weight given development concerns in US policy generally. This is a fundamental point for the drafters and, presumably, most supporters. But it goes further in excluding foreign policy guidance than is acceptable, perhaps further than is intended: for example, though the Secretary of State would retain explicit foreign policy authority over the Peace Corps, a constituent element of the IDCA, he is not given such authority over the IDCA itself; and the Administrator replaces the Secretary in reporting to the Congress on human rights performance of aid recipient countries.

A number of changes are needed to protect our ability to mesh development and foreign policy concerns, as well as the authority of our Ambassadors, and the ability of our bureaus to deal with our country-by-country budgets.

While it would be useful to bring the pieces of the government concerned with development together, we have doubts also about the wisdom of creating a new, floating, sub-cabinet organization. A way to enhance development policy and program coordination, strengthen the voice for development, loosen the tie between State and AID, and yet maintain State's oversight powers, would be to give the IDCA a status similar to ACDA. This would mean gaining amendments along the following lines:

—Include a provision that the IDCA “shall have the authority under the direction of the President and the Secretary of State” to carry out the functions given it in the act. (This is the language of the ACD Act.)<sup>5</sup> This might well be opposed by the Congressional supporters of the Humphrey Bill who want to see greater independence of IDCA from State.

—A softer alternative would be to include a positive statement that the IDCA operates under the foreign policy oversight and coordination of the Secretary of State. Under this alternative we would also want other changes to preserve the authority of the Secretary over negotiations with other governments, State's coordinating responsibility regarding human rights, and the authority of the Ambassador over IDCA missions. The best way to handle this would probably be to

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<sup>5</sup> P.L. 87–297, September 26, 1967, established the Arms Control and Disarmament Agency.

have the general powers in the bill run to the President so that he can qualify the delegations to the Administrator as appropriate in each case;

—Under either of the above alternatives, we would suggest other language, also drawn from the ACD Act, that would make the Administrator of IDCA the chief advisor to the Secretary of State and the President on development assistance and development policy, and would specify that the IDCA must be in a position to provide the President, the Secretary of State, other officials of the Executive Branch and the Congress with recommendations concerning U.S. policy on all aspects of development. This would help in making our proposals consistent with the intent of the drafters.

—The DCC as a means of coordinating development would be unnecessary, since the programs would be within the IDCA, except for PL 480 Title I.<sup>6</sup> To coordinate policy questions, the PRC could meet as needed, with State, Treasury, Agriculture, or IDCA chairing, depending on the subject. *Ad hoc* PRC sub-groups could be created as necessary. This would require amending the bill to abolish the DCC; we would outline the PRC role in testimony.

While legislative provisions would not be required, the IDCA budget as proposed by the Administrator should go to the President but be transmitted through the Secretary of State, who would add his comments on its foreign policy implications and its relationship to Security Assistance proposals. The Secretary of State could also secure comments from the Secretary of the Treasury on the international financial aspects and the Secretary of Agriculture on the agricultural implications. This arrangement would encourage close cooperation within the Executive Branch in the preparation of the proposals.

Even with these changes, the bill would still reduce State's ability to use the development program for short-term foreign policy purposes, and particularly to insist that a program be expanded or undertaken where the development rationale is weak. Flexibility for foreign policy purposes would have to be sought and justified almost completely in the context of Security Assistance, including SSA.

#### *B. Program flexibility for bilateral aid*

In general the authorizing language would broaden the focus of programs to reach poor people in desirable ways, for example, to include infrastructure projects in the poorest countries. Nevertheless, unless amended it would lend itself to a narrower interpretation of the scope of our bilateral assistance than the President approved in November.<sup>7</sup> It focusses our bilateral assistance on "low income" nations

<sup>6</sup> Title I of P.L. 480 provides for long-term credit arrangements for developing countries for government-to-government sales of agricultural commodities.

<sup>7</sup> See *Foreign Relations, 1977–1980*, vol. III, Foreign Economic Policy, Documents 282 and 283.

more sharply than current Presidential guidance. And it allows concessional aid for technological collaboration with poor nations but does not encourage extending it to middle income countries.

If we supported the bill we would want to insure that its provisions were broad enough, through legislative history or amendments if necessary, to:

—permit bilateral assistance for middle income nations when poor people are served and when these countries devote sufficient amounts of resources to the projects in question, although our primary focus would be on poor countries; and

—provide for concessional assistance for technological collaboration with middle income countries under appropriate circumstances, as well as for poor countries.

### *C. International Financial Institutions (IFI's)*

The bill proposes to shift responsibility for day-to-day oversight and policy guidance of the international development banks from the Treasury to the IDCA. The Secretary of the Treasury would retain responsibility for monitoring the financial viability of these institutions, and their creditworthiness in international capital markets largely through his continuing role as Chairman of the National Advisory Council on International Monetary and Financial Policies. This is a key proposal to the bill; without it the basic purpose of the bill—an integrated development assistance program—would be unmet.

It is not clear how much, if at all, Congressional support for these programs will be increased or reduced under the proposed arrangements. The fact is that we are not doing very well now in gaining support on the Hill for the IFI's. Lessened Treasury involvement in IFI programs may be balanced by gains resulting from greater coherence in our presentation and Congressional relations. The key will be to find ways (including Presidential instructions) to keep the Secretary of the Treasury actively involved.

Our ability to influence the effectiveness of the Banks' programs is always limited. Nevertheless, IDCA will be better able to evaluate and advise on their programs and participate in setting their development policies than any other US government agency.

As for the problem of coordination, the working relationship between the Banks' programs and our bilateral assistance should benefit considerably. Assuming that an appropriate relationship between IDCA and the State Department is achieved, coordination with foreign policy objectives should not suffer, and may in fact be improved over current arrangements.

#### *D. PL 480 programs*

The bill does not change responsibilities with regard to PL 480 significantly, perhaps in the hope that more significant shifts would be proposed in the House where jurisdictional issues with the agriculture committee are much less of a problem. All three PL 480 programs would continue to be financed through the USDA budget:

- Title I, which provides concessional financing for agricultural commodity sales would continue to be administered by USDA with participation of IDCA, State, OMB, and Treasury;

- Title II, which provides grant food aid to private voluntary organizations, foreign governments, and the World Food Program would be administered by IDCA as it now is by AID;

- Title III, recently enacted, which provides grant food aid for development purposes, would be administered principally by IDCA rather than jointly with Agriculture.

Were the entire food aid program and budget located in the IDCA, program coherence and development impact could be substantially improved. The Senate staff drafters of the bill would like us to propose this. But we do not suggest doing so:

- wherever located, the Title I program will come under pressure from its Congressional supporters to be used as a means of commodity price support or surplus disposal;

- relocating Title I authorities in IDCA could result in reducing its flexibility as a foreign policy instrument; its use for this purpose is, of course, controversial;

- relocating Title I authorities in IDCA would entail a substantial increase in personnel to provide program support (e.g., estimates of supply and distribution of commodities in potential recipients; bids, purchase, shipping), now performed by USDA.

USDA and members of the Senate Agriculture Committee would vehemently oppose a complete move of PL 480. Aside from the general changes outlined above to ensure foreign policy coordination, we could accept the current PL 480 provisions of the bill.

#### *E. Security Assistance*

The bill creates an Economic Support Fund which provides for funds to support economic or political stability in the Middle East and southern Africa. As currently, the Secretary of State would recommend budget allocations to the President and the IDCA Administrator would administer the program. Separate legislation would be proposed to authorize remaining security supporting assistance programs (e.g., Spain, Cyprus refugees and the Sinai Support Mission). Current legislation allows the President to waive the requirements of the Foreign



Assistance Act<sup>8</sup> for an amount up to \$250 million for purposes he determines important to US security. This bill reduces that flexibility to \$25 million.

This carries further the tendency of recent years for the Congress to specify the amounts to be allocated for security assistance by country, and restricts the ability of the President to respond to urgent new requirements without returning to the Congress for new legislative authority.

It is not possible to assess all the implications of the Economic Support Fund without seeing the companion piece of Security Assistance legislation, which is now being drafted. But we will clearly want to seek greater flexibility than is contemplated in the present bill through amendments that allow greater waiver authority, a contingency fund, or flexibility in transferring funds among accounts. Our chances of achieving such flexibility are difficult to assess. On the other hand, we would undoubtedly face much the same problem this year even if there were no Humphrey Bill.

#### *F. Voluntary Contributions to International Organizations*

The bill would authorize the IDCA Administrator to make voluntary contributions to international organizations and programs, a function now authorized in the Foreign Assistance Act and delegated *through the Secretary of State* to the Administrator of AID. The Administrator of IDCA would also instruct US representatives to those organizations receiving voluntary contributions under the bill's provisions, a function now performed by IO. There is no change in the provision of assessed contributions authorized and appropriated to the State Department.

This is a complex question because some of the voluntary contributions go for programs that are not developmental, and some of the assessed contributions which would remain with State go for programs that are partly developmental. The division would split management of US participation in some organizations that receive both assessed and voluntary contributions. Thus we are faced with two issues: how best to establish a coherent overall development program, and how best to coordinate our participation in international organizations. The current system emphasizes the latter; the bill would emphasize the former.

Bill Maynes would like to explore the possibility of having all IO programs administered by a single unit that would be staffed by State and IDCA personnel and report to both the Secretary and the Adminis-

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<sup>8</sup> P.L. 87–195.

trator. Ben Read believes this arrangement will be too cumbersome to work. If such an approach is not practicable, some variation on the present system would have to be worked out that would give the IDCA a greater voice in the development aspects of the IO programs, without doing too much damage to a coherent US approach to international organizations generally. Whatever approach we decide on would have to be sold to AID, and to the Congress.

At a minimum we would want the bill changed to:

- have authority flow to the President so that he can allocate responsibility between State and IDCA;

- state that IDCA should have a determining voice in development matters, but that State should govern on political and broad economic issues;

- recognize, as the bill does not now, that there is a need to tighten the management of our participation in the UN system, laying the groundwork for a strong and flexible State role in the overall management of these programs.

#### *G. Personnel questions*

The bill provides that the IDCA would be manned principally by the members of a new foreign-service-like corps of International Development Officers. It is unclear on how the transition from the present mixed GS/FSR staff would take place, or how personnel transferred with their functions from other agencies would be absorbed. The only provision helpful to AID is one that liberalizes retirement benefits temporarily. Unless extended to cover all members of the Foreign Service Retirement system this provision would damage State Department and ICA morale.

Personnel provisions do not define a clean start or provide a solution to AID's personnel problems, characterized by a mismatch of skills and program requirements.

We do not at present have alternative or additional provisions to propose. AID and M/MO continue to work on the problem, but M/MO is not sanguine about results.

*Summary of Option I:* Assuming we will be able to get the changes outlined above there is a substantial gain in the coordination of bilateral and multilateral programs, and a potential gain in the creation of a new foreign assistance agency able to move away from the difficult problems of the past with a new spirit. There is also a net favorable Congressional impact, at least in the short-term. Balanced against this is some loss of foreign policy control over development programs, except for the IFI's where there would be a gain, and reduced flexibility to move funds in the short-term to meet foreign policy needs.

Whether or not IDCA results in greater amounts of development assistance is hard to assess. In the short-term it could be a helpful vehicle. It is less clear how we would fare over time. Much will depend on the degree to which State and Treasury would continue actively to support the IDCA programs.

*Option II—Coordinator function in the White House*

A coordinator would be appointed with a small staff to oversee both development assistance and development policies. If we select this option we would want either to abolish the DCC or to make the White House coordinator chairman of the DCC in place of the AID Administrator. Both changes would require legislation.

A White House coordinator could be quite effective in drawing issues together for resolution by agreement, or by Presidential action. He could help to integrate budget proposals.

But since members of the President's staff do not testify, he would not be valuable as a spokesman to the Congress. He would have to leave the burden of Congressional relations largely to the various agencies themselves, and the goal of a single official to present a coherent development policy view to the Congress would not be achieved. A White House coordinator would also leave untouched the more mundane operational coordination problems.

This alternative, like each of the following ones, would avoid a major reshuffling of personnel and programs. But it would also give up the potential improvements in coordination and efficiency that such a reshuffle could bring.

An alternative would be to make the coordinator an "Administrator"—housed with a small staff in the EOB. This would be modeled on the STR. The Administrator would presumably have budgetary authority over all development programs. This might allow us to accept the bill at least in this one aspect, but avoid taking the IFI's out of Treasury.

This approach would allow the coordinator to testify and coordinate more effectively. But day-to-day coordination would not be significantly improved. Congressional supporters of the bill would likely find our "support" for it disingenuous; and the State Department's foreign policy and budgetary role would be unclear.

*Option III—Give the AID Administrator a second role as Director of Foreign Assistance*

This alternative is somewhat analogous to what we've done with the intelligence community.

The AID Administrator could chair a cabinet-level committee which would coordinate foreign assistance programs. He could also be responsible for preparing a consolidated foreign assistance budget.

A major problem could arise unless the AID Administrator is given enhanced rank. We could expect heavy resistance from Mike Blumenthal and Bob Bergland. The relationship between the Administrator and the Secretary of State would be ambiguous under such an arrangement. And the Administrator could be so vulnerable to charges that he favored his own bilateral programs when making overall budget decisions.

On the other hand, this option may be seen as a more far-reaching response to the coordination issue than Option II above, since one person would speak for all foreign assistance.

*Option IV—Continue as we are, pursue internal reforms of individual programs, and strengthen the DCC*

Under this option we could avoid the toughest organizational questions. On the other hand, current efforts are not sufficient to improve substantially either existing programs or our overall foreign assistance effort. This option would be seen in Congress as nearly total opposition to the Humphrey Bill and the central concepts which it embodies, with all the difficulties that would entail.

#### *Summary and Conclusions*

We believe it is essential to make some improvements on the organizational front for reasons described at the outset. We recommend that your decision be based on two principal considerations (which may lead to conflicting conclusions):

—which option will allow us to secure the largest appropriation of foreign assistance in the future?

—which makes for the most effective foreign assistance program in terms of meeting our multiple objectives, including serving all our foreign policy goals?

#### *Options*

1. Support amended version of Humphrey Bill.

The following support the basic thrust of the Humphrey Bill as long as we can get the amendments we want: S/P, L, IO, PM, T, H.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_<sup>9</sup>

If you approve this option, it could be approached in three different ways:

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<sup>9</sup> Neither option was selected by Vance.

A. We could condition our support on achieving ACDA type amendments, i.e., placing the IDCA under the direction of the President and the Secretary of State.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_<sup>10</sup>

B. We could seek the ACDA relationship, but fall back if necessary to the positive statement of the Secretary of State's foreign policy authority, as outlined on page 5.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

C. We could adopt the "positive statement" approach only.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_<sup>11</sup>

2. Coordinator function in the White House:

Supported by: No one.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

3. Make the AID Administrator also Director of Foreign Assistance:

Supported by: No one.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_<sup>12</sup>

4. Continue as we are and strengthen DCC:

Supported by: M. Ben Read's memo is at Tab 2.<sup>13</sup>

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_<sup>14</sup>

Other views:

EB supports the objectives of better coordination among foreign assistance programs, but is still considering specific alternatives and will be sending its views separately.

Mr. Cooper will also give his views separately.<sup>15</sup>

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<sup>10</sup> The "Approve" line was checked by Vance.

<sup>11</sup> For options B and C, the "Disapprove" line was checked by Vance.

<sup>12</sup> For 2 and 3, the "Disapprove" line was checked by Vance.

<sup>13</sup> Attached but not printed.

<sup>14</sup> Neither option was selected by Vance.

<sup>15</sup> Neither EB's nor Cooper's positions have been found.

**Tab 1****Summary Prepared by a Senate Subcommittee Staff<sup>16</sup>**

Washington, January 24, 1978

*INTERNATIONAL DEVELOPMENT COOPERATION ACT OF 1978*

Under Senator Humphrey's guidance, draft legislation on U.S. development policy and foreign assistance was completed before he died. The new bill would replace the Foreign Assistance Act of 1961, while maintaining the emphasis on aiding the poor majority in developing countries which was the core of the 1973 bilateral assistance reforms.

The new Act:

1. Establishes a new development agency, the International Development Cooperation Administration (IDCA) which will have responsibility for administering all the major United States development assistance programs, including:

- The bilateral assistance program now run by the Agency for International Development (AID).

- The contributions to the World Bank Group and the regional development banks now coordinated by the Department of the Treasury.

- The voluntary contributions to the United Nations technical and humanitarian agencies now coordinated by the Department of State.

- The development and relief aspects of the P.L. 480 Food for Peace program, now coordinated by AID.

2. Designates an Administrator of the IDCA, who will report to the President and be responsible for the effective and efficient administration of United States foreign assistance programs, and coordinate the making of overall United States development policies.

3. Provides a clear statement of the importance the United States places on development, both because of the increasing importance to the United States of the developing world, and because of traditional humanitarian interests of the people of the United States in helping others. By establishing a new institution with an Administrator who has direct access to the President, the Act assures that these development interests will be reflected in the formulation of overall United States international economic policy.

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<sup>16</sup> No classification marking. There is no indication which Senate subcommittee prepared the summary.

4. Presents clear, modern guidelines for United States development assistance policy, and repeals the outdated Foreign Assistance Act of 1961. The Act further clarified the 1973 New Directions goals of using direct United States grant and loan assistance in ways which promote economic growth with equity and assure that the basic human needs of the poor majority are met.<sup>17</sup>

5. Establishes an International Development Institute within the IDCA as the main focus of United States Government support for public and private voluntary programs involving development. The Peace Corps would be transferred to the Institute from ACTION, while maintaining its administrative autonomy.

6. Introduces new measures for assisting the poorest developing countries, including the encouragement of assistance in the form of grants rather than loans, and a provision to allow these countries to satisfy official development debt obligations to the United States through local currency expenditures on development-related projects.<sup>18</sup>

7. Consolidates programs which improve the access of middle-income developing countries to private capital markets, investment resources, and technical services. These programs, such as the Housing Investment Guaranties, entail almost no expenditure of United States Government funds, but involve guaranty programs for investments and loans, and reimbursable services.

8. Establishes an Economic Support Fund to replace the current Security Supporting Assistance program, assuring that such funds will be spent on development-related activities to the greatest possible degree.

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<sup>17</sup> Reference is to the changes in U.S. foreign aid programs mandated by the Foreign Assistance Act of 1973 (P.L. 93–189).

<sup>18</sup> The PRC briefly discussed the Humphrey Bill in the context of U.S. policy on international debt on February 22. See *Foreign Relations, 1977–1980*, vol. III, Foreign Economic Policy, Document 300.

**142. Briefing Memorandum From Jeffrey Garten and Curt Farrar of the Policy Planning Staff to Acting Secretary of State Christopher<sup>1</sup>**

Washington, March 28, 1978

*President's Decision on the Humphrey Bill*

Yesterday the President made these decisions on the Humphrey Bill.

—He endorsed the Bill as a vehicle for legislative mark-up this year.

—He agreed to keep the IFI authorities in Treasury for now; on the basis of experience with the new inter-agency coordinating mechanism he could see whether there is a need to transfer authority for IFI's at a later date.

—He agreed that we should ask Congress to make the language concerning Presidential authority in the area of IFIs and coordination more general to give the Executive Branch more flexibility.

—He indicated that the present arrangements for PL 480 are not satisfactory and asked for more specific proposals as to how PL 480 might be handled within the new coordinating arrangements.

—He agreed that the new Administrator would report both to the President and to the Secretary of State and that he would submit his budget to the President via the Secretary of State. However, he also indicated (in marginal comments) that we should use the intelligence community DCI model for budget procedures (which causes some confusion, as noted below).

—Finally, he approved all the issues which were agreed by the PRC members: the establishment of a semi-autonomous Foundation for Technological Collaboration; IDCA responsibility for reviewing and advising on the policies of all UN activities with development missions; the establishment of an International Development Institute to support the Peace Corps and private voluntary organizations; transfer of OPIC as provided in the Bill; the need to seek changes in the Bill to ensure that it does not interfere with existing security assistance programs; and transfer of the Peace Corps with substantial autonomy.

We worked with Henry Owen on letters to be sent to Sparkman and Zablocki. Frank Moore is supposed to be in touch with relevant staff members during the next few days.

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<sup>1</sup> Source: National Archives, RG 59, Official Working Papers of S/P, 1977–1981, Box 3, S/P—Lake Papers—3/16–30/78. Confidential. Garten initialed the memorandum on Farrar's behalf.



As we see them, there are two potential problem areas for us:

—Although the President indicated that the IDCA budget should go through the Secretary of State, in referring to the DCI model he created the impression at OMB and AID that the IDCA Administrator, like the DCI, would submit his budget directly to the President and then have it reviewed by the PRC.

—It will be difficult to see how the entire coordination system will work until PL 480 arrangements are settled and that is likely to drag on.

*Follow-Up:* At a meeting in Henry Owen's office yesterday<sup>2</sup> follow-up work was assigned to be completed in the next two weeks or so:

—State, working with AID and Treasury, would come up with a plan for activating the new interagency coordinating mechanism.

—State, working with AID, will come up with draft legislative language of how the UN organizations should be treated in the Bill.

—Defense, working with State, will draft specific language concerning the security assistance issues.

—Agriculture and AID will work on specific provisions for PL 480.

—OMB will work up draft language concerning the budget procedures. (As noted above, it is likely that there will be an interagency dispute over the interpretation of the President's decision in this area.)

—AID will put together detailed legislative language on personnel, the International Development Institute, and OPIC.

—Frank Press will do a paper on a Technological Foundation and make proposals as to how much of this will have to be set up by legislation.

We agreed to meet in Henry's office on Wednesday, April 5 to get a status report of our various efforts. We are holding a meeting of the State and AID people this afternoon at 2:30 to get us organized to do our part of the project.

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<sup>2</sup> No minutes of this meeting were found.

**143. Memorandum From Secretary of State Vance to President Carter<sup>1</sup>**

Washington, January 18, 1979

**SUBJECT**

Foreign Assistance Programs

A memorandum on organization of our foreign assistance programs will soon be reaching you from Jim McIntyre.<sup>2</sup> Three of the issues particularly concern me:

—Moving responsibility for the multilateral development banks from Treasury to a new aid agency is unnecessary, would be disruptive, and could be damaging on the Hill. Better integration of our multilateral and bilateral approaches could be achieved through more aggressive use of the Development Coordination Committee.

—Moving responsibility for those UN programs which have a development purpose from State to the new aid agency would be a complex and confusing operation. It is extremely difficult to define which international organization programs are developmental, because most of them are only partly so. Dividing authority for dealing with UN programs would harm our efforts, which are making good progress, to tighten up management of our participation in the UN system.

—It is proposed that the development aid budgets go directly to OMB from AID or the new aid agency, rather than from the Secretary of State. In either case, both AID and State would have a chance to comment on the budget. I would strongly oppose such a change in procedure. If the AID/IDCA budget does not go through State, as at present, it would be much harder for us to analyze regional trade-offs between development aid programs and other forms of assistance, such as SSA.

In summary, while I would recommend a modest reorganization which would allow the creation of an IDCA, as indicated in the OMB memo, I do not believe that you should add a major foreign assistance reorganization to the Administration's heavy agenda for the coming year. We should let the Development Coordination Committee continue to make headway on integrating bilateral and multilateral assistance, and maintain the budget relationship between State and AID, which worked well this year.

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<sup>1</sup> Source: National Archives, RG 59, Official Working Papers of S/P, 1977–1981, Box 17, Sensitive, 1/1–3/31/79. Confidential; Nodis. Drafted by Farrar.

<sup>2</sup> Not found.

**144. Memorandum From the Director of the Office of Management and Budget (McIntyre)<sup>1</sup>**

Washington, February 15, 1979

TO

The Secretary of State  
The Secretary of the Treasury  
The Secretary of Defense  
The Attorney General  
The Secretary of Agriculture  
The Administrator, Agency for International Development  
The Director, ACTION  
The President, Overseas Private Investment Corporation  
Ambassador Henry Owen  
The Director, Office of Science and Technology Policy

SUBJECT

Presidential Decisions on Foreign Assistance Organization

This is to communicate to you the President's decisions on the reorganization of our foreign assistance programs, and to establish arrangements for implementing those decisions.

*Presidential Decisions*

The President has decided to establish an International Development Cooperation Administration (IDCA) as an independent agency within the Executive branch, whose Administrator will report both to the President and the Secretary of State, and will serve as the principal development advisor to each. The Administrator will receive foreign policy guidance from the Secretary of State and will consult with the Secretary before submitting his budget to the Office of Management and Budget.

The principal responsibilities of the Administrator of IDCA will be to establish and control the budgets and policies of the agency's components and to make recommendations to the President concerning the appointment and removal of senior officials of each component. The Administrator will also have responsibility to ensure that development goals are taken fully into account in Executive branch decisionmaking on such matters affecting international development as trade and monetary decisions, and questions involving the relative priority of development and other issues.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 6, Chron February 7–16, 1979. No classification marking.

The Agency for International Development will be transferred into IDCA, as will lead responsibility for policy and budget for the following international organizations: UN Development Program; UNICEF; OAS Technical Assistance Funds; UN Capital Development Fund; UN Educational and Training Program for Southern Africa; UN/FAO World Food Program; FAO Post Harvest Losses Fund; and UN Disaster Relief Organization. The President has independently decided to establish an Institute for Technological Cooperation which, when created, will also become part of IDCA.

Existing arrangements with regard to the multilateral development banks (MDBs) are to be modified as follows: (a) the Secretary of the Treasury will consult with the IDCA Administrator in the selection of candidates for the U.S. Executive Director and Deputy Executive Director positions in the MDBs, with any differences being reported to the President when names are proposed for his nomination; and (b) the IDCA Administrator is directed to advise U.S. Executive Directors on MDB projects and programs proposals.

The IDCA Administrator will replace the AID Administrator as Chair of the Development Coordination Committee and as Chair of the Board of OPIC.

The President decided to take no action now with respect to the Peace Corps. He has directed OMB to review alternative organizational arrangements respecting all ACTION programs, and will reconsider the possible relation of Peace Corps to IDCA in light of the conclusions of that review.

### *Implementation*

The President's decisions will be implemented by a combination of a reorganization plan, Executive orders, and agency delegations. OMB staff, in cooperation with State, AID, and Ambassador Henry Owen, will be responsible for relations with the Congress, the press and the public, will draft the necessary documents, and will lead Hill presentation of the proposal. Agencies will, of course, be consulted on a regular basis and may be asked to detail supporting staff to OMB on a temporary basis. The reorganization will be implemented within the overall budget and personnel ceilings allocated to the agencies for fiscal 1980.

Your cooperation and support is appreciated. Questions may be addressed to Peter Szanton (395-6800) or Eric Hirschhorn (395-3727).

**145. Letter From the Under Secretary of State for Management (Read) to the Associate Director for Organization Studies, Office of Management and Budget (Szanton)<sup>1</sup>**

Washington, March 8, 1979

Dear Peter:

The March 2 draft reorganization plan for the International Development Cooperation Agency (IDCA)<sup>2</sup> raises a number of fundamental questions about the functions of IDCA and its relationship to other development assistance organizations. We think these questions must be addressed before we can make meaningful detailed comments on a plan, and certainly before the plan is placed before Congress.

The plan is unclear on the central question of the nature of IDCA and its relationship to AID. The underlying McIntyre memorandum of February 15 states that AID will be “transferred” into IDCA.<sup>3</sup>

On the one hand, the plan permits an inference that AID is being abolished and totally absorbed by IDCA. Section 7 of the plan would transfer to IDCA those AID functions now specified in law and its total administrative funding. Section 2 of the plan gives the IDCA Director responsibility for the “exercise” of functions to be vested in IDCA which implies more of a management role than we had thought was intended. Moreover, §5 confers on the IDCA Director a broad power of reorganization. Section 9 contemplates OMB arrangements to terminate the affairs of any agency abolished by the plan; in light of §7 and the President’s authority to transfer all remaining AID functions by Executive Order, this could only refer to AID.

On the other hand, if the intent is to place all AID authority in IDCA which would delegate most of it back to AID, some effort seems necessary at this stage to indicate what this might look like.

Relationships between IDCA and the IO Bureau of the State Department, and the IFTC, are not addressed at all, but presumably will be left to Executive Orders. US support of UN and other IO development assistance programs has obvious foreign policy linkages which concern this Department. The reorganization plan plays an important background role in Congressional consideration of the IFTC legislation and the IFTC-IDCA relationship must be addressed.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 11, Chron March 7–13, 1979. No classification marking. Drafted by K. Scott Gudgeon (L/EB). Cleared in draft by Curtis Farrar (S/P), John Spiegel (D), Francis Kinnelly (OES), Paul Molineaux (M/MO), Alexander Watson (EB), and John Fox (IO).

<sup>2</sup> Not found. The final text of the plan is Document 146.

<sup>3</sup> See Document 144.

These questions also have a bearing on IDCA executive and personnel requirements (e.g., §§3, 4, 9).

We think it would be unrealistic not to anticipate Congressional interest in clarifying the status of AID, and IDCA operational arrangements and reorganization objectives, in order to better define the purposes of IDCA itself. We therefore believe that we must work out answers to these questions so that they are in hand when the plan is submitted.

This Department is particularly concerned to ensure in specific arrangements appropriate coordination of IDCA activities with broader US foreign policy interests, consistent with section 2 which places IDCA under the Secretary of State's foreign policy guidance. In this regard, for example, the Secretary's role under §622(c) of the Foreign Assistance Act<sup>4</sup> as amended should be retained under the reorganization plan. The basic thrust of this subsection is to ensure overall integration of economic and military assistance programs and consistency with overall U.S. foreign policy. The retention of this responsibility in the Secretary of State is necessary if he is to fulfill his functions under §2 of the plan. We are concerned at the implications of any proposals to divide this responsibility.

In addition, we believe that the delegation of negotiation authority under §635 of the Foreign Assistance Act to the Secretary of State should be continued. The Secretary in turn can make an appropriate delegation of negotiation authority to IDCA, AID, and IFTC consistent with the Department's Circular 175 procedures.<sup>5</sup> Continuation of present practice in the case of AID would be consistent with §2 of the plan and with the spirit of recent amendments to the Case Act (§708 of P.L. 95-426, I U.S.C. 112b). The plan also should reflect the President's decision, recorded in the McIntyre memorandum, that the IDCA Director will consult with the Secretary of State before submitting a budget to OMB.

Finally, we question the appropriateness of making the IDCA Director advisor to the National Security Council, since this seems fully included in the function of advisor to the President. The relationships between the Chairman of the DCC and the NSC are spelled out in detail in the March 22 decision of the President and subsequent implementing instructions.<sup>6</sup>

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<sup>4</sup> P.L. 87-195.

<sup>5</sup> A reference to the Department of State procedure that ensures the legality and constitutionality of treaties that are made by U.S. officials, considers the foreign policy implications of the treaty, and assures that the Department of State is involved in the process.

<sup>6</sup> Not found.

We offer these as preliminary comments on the draft plan. More detailed comments seem premature pending a more complete outline of the concept of IDCA and a draft Executive Order and Presidential Message to accompany the plan.

Sincerely,

**Ben H. Read<sup>7</sup>**

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<sup>7</sup> Read signed “Ben” above this typed signature.

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#### **146. Reorganization Plan No. 2 of 1979<sup>1</sup>**

Washington, undated

##### REORGANIZATION PLAN NO. 2 OF 1979

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, April 10, 1979, pursuant to the provisions of chapter 9 of title 5 of the United States Code.

##### UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

##### *Section 1. Establishment of the United States International Development Cooperation Agency*

There is hereby established in the executive branch an independent agency to be known as the United States International Development Cooperation Agency (hereinafter referred to as the “Agency”).

##### *Section 2. Director*

The Agency shall be headed by the Director of the International Development Cooperation Agency (hereinafter referred to as the “Director”), who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 8, Chron April 24–30, 1979. No classification marking. Attached to an April 26 memorandum from Farrar to Conlin. (Ibid.) Carter transmitted Reorganization Plan No. 2 of 1979 to Congress on April 10. For the text of his transmittal message and the plan, see *Public Papers: Carter, 1979*, Book I, pp. 642–647.

the rate prescribed by law for Level II of the Executive Schedule. Under the guidance of the President, the Director shall have primary responsibility for setting overall development assistance policy and coordinating international development activities supported by the United States. The Director shall serve as the principal advisor to the President and the Secretary of State on international development matters and shall report to the President and the Secretary of State. The responsibility of the Director for the exercise of the functions and authorities vested in or delegated to the Director or the Agency shall be subject to the guidance of the Secretary of State as to the foreign policy of the United States. The Director shall designate the order in which other officials shall act for and exercise the powers of the Director during the absence or disability of the Director and the Deputy Director or in the event of vacancies in both such offices.

### Section 3. *Deputy Director*

The President, by and with the advice and consent of the Senate, may appoint a Deputy Director of the Agency, who shall receive compensation at the rate prescribed by law for Level III of the Executive Schedule. The Deputy Director shall perform such duties and exercise such powers as the Director may from time to time prescribe and, in addition, shall act for and exercise the powers of the Director during the absence or disability of the Director or during a vacancy in such office.

### Section 4. *Associate Directors*

The President, by and with the advice and consent of the Senate, may appoint two Associate Directors of the Agency, who shall perform such duties and exercise such powers as the Director may from time to time prescribe and who shall receive compensation at the rate prescribed by law for Level IV of the Executive Schedule.

### Section 5. *Performance of functions*

The Director may from time to time establish, alter, consolidate, or discontinue organizational units within the Agency, and delegate responsibility for carrying out any function or authority of the Director or the Agency to any officer, employee or unit of the Agency or any other officer or agency of the executive branch.

### Section 6. *Transfers of functions*

(a) There are hereby transferred to the Director all functions and authorities vested in the Agency for International Development or in its Administrator pursuant to the following:

(1) sections 233(b), 296(e), 297(d), 298(c)(6), 299(d), 601(a) through (d), and 624(f)(2)(C) of the Foreign Assistance Act of 1961 (22 U.S.C. 2193(b), 2220a(e), 2220b(d), 2220c(c)(6), 2220d(d), 2351(a) through (d), and 2384(f)(2)(C));



(2) section 407 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a); and

(3) section 706 of the Foreign Relations Authorization Act, Fiscal Year 1979 (49 U.S.C. 1518).

(b) There are hereby transferred to the Director all functions and authorities vested in the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 or in its Administrator pursuant to sections 101(b), 119, 125, 531(a)(2), 601(e)(2), and 640B of such Act (22 U.S.C. 2151(b), 2151q, 2151w, 2346(a)(2), 2351(e)(2), and 2399c).

(c) There are hereby transferred to the Director all functions and authorities vested in the Secretary of State pursuant to the following:

(1) section 622(c) of the Foreign Assistance Act of 1961, insofar as it relates to development assistance (22 U.S.C. 2382(c)); and

(2) section 901 of Public Law 95–118 (22 U.S.C. 262g).

#### Section 7. *Abolition*

One of the positions that the President may appoint under section 624(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2384(a), 5 U.S.C. 5315(5)) is hereby abolished.

#### Section 8. *Other transfers; interim officers*

(a) So much of the personnel, property, records, and unexpended balances of appropriations, allocations and other funds employed, used, held, available, or to be made available in connection with the functions and authorities affected by the establishment of the Agency, as the Director of the Office of Management and Budget shall determine, shall be transferred to the appropriate agency or component at such time or times as the Director of the Office of Management and Budget shall provide, except that no such unexpended balances transferred shall be used for purposes other than those for which the appropriation was originally made. The Director of the Office of Management and Budget shall provide for terminating the affairs of any agency abolished herein and for such further measures and dispositions as such Director deems necessary to effectuate the purposes of this reorganization plan.

(b) Pending the initial appointment of the Director, Deputy Director, and Associate Directors of the Agency, their functions and authorities may be performed, for up to 60 days after section 1 of this reorganization plan becomes effective, by such individuals as the President may designate. Any individual so designated shall be compensated at the rate provided herein for the position whose functions and authorities such individual performs.

### Section 9. *Effective date*

This reorganization plan shall become effective on July 1, 1980, or at such earlier time or times as the President shall specify, but not sooner than the earliest time allowable under section 906 of title 5 of the United States Code.<sup>2</sup>

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<sup>2</sup> On May 21, Carter transmitted amendments to Sections 2, 5, and 6 of the plan to Congress. See *Public Papers: Carter, 1979*, Book I, pp. 915–916. The Senate approved the plan on July 9. For the text of the White House statement expressing Carter’s appreciation, see *Public Papers: Carter, 1979*, Book II, p. 1230. Executive Order 12163, issued on September 29, codified the reorganization; see *ibid.*, pp. 1792–1800.

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### **147. Briefing Memorandum From the Acting Director of the Policy Planning Staff (Lissakers) to Secretary of State Vance<sup>1</sup>**

Washington, July 18, 1979

#### *State/AID/IDCA Relationship*

Tom Ehrlich is meeting with you tomorrow<sup>2</sup> to discuss the future relationship between State, AID and IDCA. You may want to make the following points:

—We look forward to supporting a strong IDCA and want to provide whatever assistance we can in IDCA’s efforts to develop a more coherent and effective US foreign assistance program.

We understand that IDCA plans to put together a comprehensive foreign assistance budget for FY–81, to include a review and zero-based budget ranking of AID, PL–480, ISTC, some voluntary contributions to international organizations, OPIC, and US contributions to the Multilateral Development Banks. We think this is an important and useful exercise.

—As over the past several years, the Department plans its own review of bilateral foreign assistance budgets before they are submitted to OMB. At the conclusion of our review, I expect to submit to OMB

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<sup>1</sup> Source: National Archives, RG 59, Official Working Papers of S/P, 1977–1981, Box 5, S/P—Lake Papers—7/16–31/79. Unclassified. Drafted by Carol Lancaster (S/P).

<sup>2</sup> No minutes of this meeting were found. Carter announced Ehrlich’s nomination as Director of IDCA on July 19. (*Public Papers: Carter, 1979*, Book II, p. 1272)

my own views on the size and content of the FY–81 foreign assistance budget. Our staffs can work together on the specific timing and modalities of the Department’s review process, and how it corresponds to IDCA’s review process. I am sure we shall be able to cooperate fruitfully together.

—We expect State regional and country officers to continue their day-to-day contact and cooperation with their counterparts in AID and their traditional participation in the preparation of the AID budget.

—On the entire range of economic policies involving LDCs—including North-South issues—we look forward to working with IDCA.

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**148. Memorandum for Secretary of State Vance, Secretary of the Treasury Blumenthal, and the Director of the International Development Cooperation Agency (Ehrlich)<sup>1</sup>**

Washington, undated

SUBJECT

United States Participation in Multilateral Development Banks

Reorganization Plan No. 2 of 1979,<sup>2</sup> effective October 1, 1979, establishes the International Development Cooperation Agency (IDCA) and gives the Director of IDCA primary responsibility for establishing overall development assistance policy and coordinating United States support for international development activities. The Plan also provides that the Director shall serve as principal advisor to the President on international development matters and advisor on other matters significantly affecting the developing nations.

The President has today signed an Executive order amending Executive Order 11269 with regard to United States participation in the multilateral development banks.<sup>3</sup> The President has directed that in carrying out your responsibilities under Executive Order 11269, the relationship among your three agencies shall be as follows:

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 8, Chron May 17–24, 1979. No classification marking.

<sup>2</sup> See Document 146.

<sup>3</sup> Executive Order 12164, “Multilateral Development Institutions,” was signed by Carter on September 29. For the text of the E.O., see *Public Papers: Carter, 1979*, Book II, pp. 1800–1801. It amended E.O. 11269, “National Advisory Council on International Monetary and Financial Policies,” signed on February 14, 1969.

1. The Secretary of the Treasury will consult with the IDCA Director regarding the selection of candidates for the U.S. Executive Director and Alternate Executive Director positions. Any differences between them as to positions requiring Presidential appointment will be submitted to the President for resolution.

2. The Secretary of the Treasury will continue to instruct U.S. representatives to the MDBs. The Director shall advise both the Secretary and the U.S. representatives on development programs and policies, and on each development project of the MDBs. Given his position as principal development advisor to the President, the Director's conclusions with respect to the developmental merits of issues before the MDBs will normally be determinative, as provided below.

The instructions issued by the Secretary of the Treasury will accord with those conclusions except in such cases as the Secretary finds that compelling financial or other nondevelopmental reasons (in other words, express legislative requirements) require a different U.S. position. Differences between the Director and the Secretary may be submitted to the President for resolution.

3. The Director will have a principal role in interagency consideration of Treasury budget proposals concerning the MDBs, including replenishments. IDCA will include MDB programs and budget matters in its comprehensive review and analysis of the foreign assistance program, and will coordinate the presentation of the MDB budget to the Congress with the presentation of other components of the aid program.

4. Nothing in this memorandum is intended to derogate from the responsibilities of the Secretary of State as to the foreign policy of the United States.

**149. Letter From Secretary of State Vance to the Director of the International Development Cooperation Agency (Ehrlich)<sup>1</sup>**

Washington, October 18, 1979

Dear Tom:

During the next year and a half, I plan to devote more of my time to our foreign assistance policies and programs. In this regard, there are a number of specific issues which I believe deserve special study and possible action.

I am asking you, as the President's and my principal advisor on international development matters, to take the lead in studying these issues jointly with relevant State Department bureaus.

The specific issues which I would appreciate your reviewing include:

—*The balance between our bilateral and multilateral assistance programs.* I wonder whether we are striking the right balance in our aid resources between multilateral organizations and programs and our bilateral assistance. From both a development perspective and in terms of United States foreign policy interests we need to explore whether our bilateral or our multilateral assistance is most effective in the long run.

Because we are already committed to a fixed replenishment program for most of the multilateral development banks through the mid-1980's, there is, of course, no question of reducing our multilateral bank contributions in the next few years—nor would I wish to do so. However, if we succeed in eliminating the full appropriation requirement on callable capital, there might be room in future budgets for a substantial increase in other types of aid flows. We will then have to weigh whether it best serves our interests to channel any new money for projects in areas such as energy, agriculture, health and population through international organizations, or directly through our bilateral assistance programs.

A general review of this type could provide valuable guidance for these future assistance policy decisions.

—*Simplifying our aid programs.* Cumbersome legislative directives and administrative procedures severely reduce the flexibility and efficiency of our assistance programs. I would like to explore what can be done to eliminate restrictive legislative provisions and to simplify administrative practices with a view to improving the quality and

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<sup>1</sup> Source: National Archives, RG 59, Official Working Papers of S/P, 1977–1981, Box 5, S/P—Lake Papers—7/16–31/79. Confidential. Drafted on October 12 by Michael Feldstein (S/P). Cleared by Plantz (H), Marion Creekmore (IO), and David Dunford (EB).

flexibility of our aid. Perhaps a joint task force of staffers from the relevant Congressional committees and Executive Branch departments and agencies could be organized on an informal basis, to undertake the task, with an eye to reforms keyed to the FY 82 budget process.

—*Presenting foreign assistance to the Congress.* Has the Executive Branch been as effective as it should be in building Congressional support for our foreign assistance programs, and particularly for our contributions to the multilateral development banks (MDBs) and UN organizations? I would hope that a study could result in specific recommendations on how we can improve our performance in this area.

Sincerely,

Cy

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**150. Letter From the Director of the International Development Cooperation Agency (Ehrlich) to Secretary of State Vance<sup>1</sup>**

Washington, October 29, 1979

Dear Cy:

Your letter of October 18<sup>2</sup> suggested three specific issues, relating to our foreign assistance programs, that you recommend IDCA take the lead in studying jointly with the State Department.

I strongly share your concern that we need to review the conditions underlying the balance between our multilateral and bilateral assistance programs, and decide what allocation will best serve our objectives in the future. This question is high on the agenda of priority development issues that I am preparing for the President; my staff is already working on the matter. I look forward to IDCA/STATE cooperation in this area.

I also share your concern about the need to simplify our aid programs. We should review the issue thoroughly on the Executive side first, and then we can pursue an inter-agency agreed agenda (with priorities) on an informal basis with Congressional staff. I have asked my staff to begin consultation with relevant agencies.

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<sup>1</sup> Source: National Archives, RG 59, Official Working Papers of S/P, 1977–1981, Box 5, S/P—Lake Papers—7/16–31/79. Confidential.

<sup>2</sup> See Document 149.

The need to improve the effectiveness of our presentation on foreign assistance to the Congress is also an issue worthy of review. I have asked my Assistant Director for Legislative and Public Affairs, Roger Cochetti to contact his counterparts in State, AID and Treasury to work on this.

On all these issues, I am grateful for your recommendations and welcome the close collaboration of our staffs.

Cordially,

Thomas Ehrlich<sup>3</sup>

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<sup>3</sup> Ehrlich signed "Tom" above this typed signature.

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**151. Draft Memorandum From the Director of the International Development Cooperation Agency (Ehrlich) to President Carter<sup>1</sup>**

Washington, June 5, 1980

SUBJECT

Increasing the Effectiveness of Development Assistance—Spring Budget Review

A principal aim in establishing IDCA as a separate agency—responsible directly to you—was to improve the effectiveness of U.S. development assistance. To that end, this Agency has worked with AID and other parts of the Executive Branch—in coordination with other bilateral and multilateral donors—to insure that our development resources have maximum development impact.

As a result of careful assessment, we determined that there must be more systematic and rigorous focus of AID resources on: (1) the priority areas of food, energy, and health and population; and (2) the

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 5, Chron June 15–21, 1980. Confidential. In Lake's June 19 covering memorandum, he wrote that Ehrlich's memorandum outlined the IDCA's policy for development assistance, which the IDCA would like to have addressed at the spring budget review. The Department of State, however, wished for a PRC to be convened in order to make policy recommendations to the President. (Ibid.)

recipient countries where development need is greatest and development performance will be strongest. Applying this policy, particularly in times of budget stringency, will mean that development assistance to some sectors and countries will be reduced or even phased out. The State Department has objected to this policy and its application, as stated in a separate memorandum.<sup>2</sup> At the Spring Budget Review on foreign assistance, I understand that this will be one of the key issues.

This memorandum explains the reasons for the policy, the ways in which the policy will be applied, and the results of its application.

### *1. The Need to Strengthen Development Effectiveness*

The demand—and need—for U.S. development aid far exceeds what the United States can supply. This would be true even if AID (and other development) resources were to expand at an accelerating rate. IDCA will press hard for substantial growth in development assistance. At the same time, we recognize the possibility that there may be no significant increases in AID's budget through at least part of your second term. Our programs are under tight constraints.

Particularly in light of these constraints, we must seek to achieve the greatest possible development effectiveness with the funds and staff available. We must do this to meet the statutory purpose of U.S. development assistance: to support the basic human needs of poor people in Third World countries by accelerating economic development. This purpose, which you have affirmed on many occasions, may diverge from the short-term tactical needs of U.S. diplomacy. But it is wholly consistent with your basic foreign policy objectives in the long run.

Based on a review of development benefits and costs, we concluded that AID resources should be focused more than in the past. Otherwise we run the increasing risk that those resources will become irrelevant to overcoming development problems. To insure maximum development impact, consistent with the basic human needs mandate, we must increase our focus in terms of both problem areas and countries.

As in your 1981 Budget, the largest share of AID resources will continue to help combat world hunger, through support of agricultural production and distribution (including natural resources conservation). In energy, the primary attention will be on renewable resources—to complement the multilateral banks' efforts in conventional energy fields. Finally, we will focus on primary health care and family planning support. These are the three sectors where, in our judgment, AID can

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<sup>2</sup> Also attached to Lake's covering memorandum and printed as an attachment below.



make the most significant contributions and for which you have stressed your strong support. AID will continue to work in other areas only when its comparative advantage is clearly demonstrated and the impact of its support can be substantial.

We also concluded that strengthening development effectiveness requires focusing AID's resources—staff, money, and attention—on fewer countries. AID now administers funds (development assistance or ESF) in 68 countries, maintaining staff in all but a handful. No other bilateral donor either provides such wide global assistance coverage or fields so large an assistance staff. This worldwide presence is clearly an asset to the United States, but our resources are now spread so thin in some countries that they are only marginally relevant to development requirements. Marginal resources neither advance a nation's development programs significantly nor provide the opportunity to open serious dialogue on important development issues with the host government.

In our view, AID resources should be focused over time to achieve development objectives efficiently and to influence the development policies of the host government. To attain the necessary resources for some countries requires that AID resources in other countries be held at present levels or reduced. In some nations, the dim prospects of influencing either development or policy suggest eliminating our assistance entirely over a period of time.

The concept of focusing sufficient resources to achieve significant development progress in particular countries is not new. The U.S. aid program has focused its resources in the past to promote effectiveness, with some striking results. It continues to do so now though to a much lesser extent. Examples of the resulting development impact include Brazil, South Korea, and Taiwan. India was transformed in the 1960s from a major importer of foodgrains on the world market into a country that has helped to meet the food deficits of other poor nations. India is an example of what can be achieved when sufficient financial, technical, and analytic resources are applied to the task. The policy of focusing resources, therefore, is recommended by experience as well as analysis of the current situation.

## *2. Applying the Development Effectiveness Policy*

In each of the three priority areas, we are working to focus AID programs in ways that complement and supplement—rather than duplicate—the efforts financed by the much larger resources of other donors, particularly the multilateral banks.

We will continue to look primarily to the multilateral banks for support of major infrastructure needs. In addition, we are paying explicit attention in each recipient country both to the total resources

provided by other donors and to the kinds of activities those donors finance. If other donors are active in a country or sector, we are exploring their interests and abilities in the kinds of development projects we believe are needed before concluding that U.S. involvement is necessary.

In choosing the countries where AID should focus its resources to promote development effectiveness, we relied on three primary criteria. The first is the significance of U.S. assistance to achieve development objectives. This standard includes both the need for external financial and technical assistance and the availability of assistance from other donor countries, from other U.S. programs, and from multilateral organizations. The second criterion is the nature and extent of the host country's commitment to development. This measure encompasses sound policies capable of leading to equitable growth, a record of performance in carrying out these policies, and concern for human rights. The third criterion is the importance to the United States of the country's economic development.

In applying those criteria as we developed country-specific planning guidance for the Fiscal Year 1982 budget, we relied on Country Development Strategy Statements (prepared by the AID mission in each country in consultation with the Ambassador and other members of the Country Team), AID expertise available in Washington, and documentation from various development organizations.

Our concern is country development as a whole. Whether a country is large or small, its own development commitment will be the principal determinant of success. Although some poor people can be helped with U.S. resources even in a country with inadequate development planning, a poor record of human rights, and little commitment to equitable distribution of development gains, the impact will be small and transient; the numbers helped will be few. Our aid will be far more significant in countries with effective policies.

We also concluded that certain countries, despite the continued existence of poverty, are not appropriate recipients of scarce concessional funds because of substantial domestic resources or access to private capital markets. In their current situations, we believe that Indonesia and Nigeria both fall into this class, although we propose maintaining a \$50 million allocation to Indonesia in view of the State Department's expression of strong concern and because of our belief that a well-designed technical assistance program there can have a particularly significant development impact.

The effort that we are pursuing must be carried out over a number of years. We cannot say with certainty that a single shift of resources in a single year from one country to another will increase the overall development impact. But the cumulative effect of shifts over several

years should have that effect since resources from poorer-performing countries will be applied to a small number of countries with strong performance records.

We also cannot guarantee that our application of the development criteria has been perfect—that our conclusions regarding an individual country are exactly right. But we are confident that the process is sound and that over time the result will be to improve substantially the effectiveness of our development assistance resources.

### *3. Results of Applying the Development Effectiveness Policy*

Our focus on the three priority areas led to increased AID allocations in those areas for 1981, and we expect that trend to continue in the 1982 budget. Our application of the country criteria led to a threefold classification of current AID recipients. The first category consists of ten countries—some large, some small—with a clear need for U.S. assistance, sound development policies, and good development performance. We set high planning ceilings for these countries because we can have significant development impact on them. We intend to protect the allocations for these countries even if AID resources as a whole are kept to the 1981 level; if, as we hope, substantially increased resources will be available, these countries will be prime candidates to receive more, assuming solid projects and managerial capacity allow.

Countries in the second category satisfy the criteria less adequately, though the potential of development impact exists. Our planning ceilings for these countries are moderate, and the allocations will not be protected against budgetary inadequacies. A constricted AID budget, therefore, will pinch here; an adequate budget will not.

Prospects of substantial development impact from U.S. development assistance are low for countries in the third category. We therefore propose phasing out AID's development assistance programs in these countries, though financial assistance without field staff is planned for some through other means such as private voluntary organizations.

To judge that AID should not have a program in a particular country or sector is not to conclude that the poor in the country should be unassisted or that the sector should be ignored. Bilateral donors other than the United States—*e.g.*, Japan in East Asia and France in West Africa—are active in many of the countries involved. Even more important are the substantial aid funds from the multilateral development banks and U.N. development agencies—institutions that the United States helped to create and whose growth we have helped to finance since the end of World War II.

We recognize the danger that decisions on development assistance levels may be seen as based on short-term political factors rather than long-term developmental considerations. Every departure from the

status quo entails that risk. We have attempted as best we can to structure the process to minimize the possible political cost. For countries facing a phase-out, we are planning careful, orderly transitions. Most would still receive new funding in 1982 and some even in 1983; the departure of staff would take an additional several years as ongoing projects are gradually completed. Partly because of this very care, the shift of resources toward countries with good performance will be relatively gradual; the increase in developmental effectiveness will similarly be a multiyear process during which there will be ample opportunity to correct errors, to adjust to the changing policies of recipient governments, and to smooth the transition to new arrangements.

In countries where U.S. non-developmental objectives must be met with financial assistance, other funding can be used, though we recognize the problems involved. Some of these needs can be addressed by the Economic Support Fund which, however constrained, is still larger than AID's Development Assistance program. Some portion of the PL 480 program is also used for this purpose. Over the longer-term, America's relations with developing countries should increasingly rely on non-concessional mechanisms, particularly trade and investment. IDCA will be vigorous in pursuing its mandate in these non-concessional areas.

We realize that unforeseen circumstances will preclude providing development assistance to some countries now considered in the priority group, and that other unexpected events will require allocations of that assistance to some non-priority countries. Events over the last year in Nicaragua and elsewhere are compelling evidence that predictions are not perfect. But this reality does not undercut the need for planning; rather, it underscores the need for adequate flexibility.

In most situations, the unforeseen circumstances relate to political, not developmental, factors within a particular country or region. To meet those situations, ESF or Defense Department funds should generally be used since those funds are intended to be allocated on the basis of political or military considerations. New needs relating to Persian Gulf base-rights arrangements are a prime example. An ESF contingency fund would, we believe, be a sound step in helping to deal with this type of problem.

One final point. The development effectiveness policy we are pursuing requires that the United States be significantly involved in development issues within the high priority countries. This means in some situations arguing with the governments of those countries and using our resources as leverage in the arguments. This is not always a comfortable situation, and the potential for discomfort should be recognized. It could be avoided, of course, by channeling all U.S. development

assistance through multilateral institutions, as some in Congress have urged. We believe that course would be a mistake because AID funding and field missions have an important development impact. The policy outlined in this memorandum is designed to strengthen that impact.

Thomas Ehrlich<sup>3</sup>

## Attachment

### Draft Memorandum Prepared in the Department of State<sup>4</sup>

Washington, June 18, 1980

#### *STATE'S RESPONSE TO EHRLICH'S MEMO*

The Department of State supports and welcomes many of IDCA's plans to use limited US development assistance funds as efficiently as possible.

Specifically, we agree that additional assistance should be made available to countries with good human rights records and to those embracing equitable development policies. There may also be merit in concentrating resources in fewer sectors if this is done in a flexible manner so as to take into account the diverse development needs of individual LDCs. The Department also supports IDCA's efforts to trim the costs of AID's overseas operations by using less direct-hire personnel.

The Department emphatically does not, however, support one broad element of IDCA's recommended approach—that of terminating all aid to some countries in order to concentrate more assistance in others. In our view, such a policy offers no more than speculative, if any, new impetus to development, at the expense of real and foreseeable harm to the nation's foreign policy needs.

In sum, the Department believes that:

—The resources IDCA proposes to reallocate in the concentration effort are too small to have any significant development impact.

—The development cost of terminating aid in some countries would well exceed the development benefits resulting from the increases in others.

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<sup>3</sup> Printed from a copy with this typed signature.

<sup>4</sup> No classification marking.

—Many of the types of programs IDCA would terminate have been extremely successful.

—Rigid adherence to the concentration principle may make the US aid program unresponsive to changing economic and political conditions in many countries.

—The concentration approach is not supportive of America's global interest and responsibilities.

—Termination of programs will hurt US relations with the countries affected, and may result in loss of security facilities and put us at a disadvantage in countering Soviet influence.

—This is not the time either for another shift in our foreign aid philosophy or in the shape of our foreign policy.

The probable effects of the IDCA recommendation upon both development and foreign policy objectives are considered below.

#### *Development Impact*

IDCA's central premise is that by concentrating US assistance in fewer countries, we can produce a greater development impact overall.

This premise must be examined first in the light of the basic reality that in real terms, American development assistance levels have been shrinking and American aid now has far less impact on a country's development prospects than do the investment, income distribution, and other strategies followed by that country's government. This means that IDCA's principal examples of successful concentration—South Korea and Brazil—have almost no present relevance. Between 1954 and 1961 Korea received the equivalent, in 1979 dollars, of some \$6.3 billion in economic assistance—an annual average of nearly \$800 million. Between 1962 and 1968 Brazil received \$4.1 billion, or \$600 million per year. To repeat such programs now would exhaust almost the entire AID program and result in the termination of bilateral development assistance to all but two or three countries.

The IDCA premise also assumes that the saving gained by terminating certain country programs will be large enough to have a significant development impact in other countries. In fact, the actual savings will be relatively small; eliminating bilateral aid to those countries IDCA ranks as having a low priority would free up less than \$45 million annually. Using this small savings in more highly ranked countries will probably not, even over time, provide the critical mass of resources necessary to make a significant dent in another country's development.

Since large sums are ruled out by the budget, the practical issue is distilled essentially into two questions: whether greater concentration will give the US more total influence on the key determinants of development—the policies of recipient governments—and whether concen-

tration is inherently more productive in meeting the statutory purpose of development aid, that of helping the poor.

On the former question, we think concentration of resources would likely produce a net *loss* in our ability to foster sound development strategies in recipient countries. A decision to add another \$5 million to a program in Kenya, for example (a country IDCA selects for more aid), would buy almost nothing on the margin in terms of a dialogue on development issues with the Kenyan government. But a decision to close down a program in, say, Burma (a country IDCA selects for termination) would flatly rule out any possible dialogue on development policies there. In short, while the gains to the program in terms of efficiency and influence are speculative, the losses are quite tangible. The weight of probabilities, therefore, clearly lies with the losses.

On the second issue, whether concentrating resources in a few programs is inherently preferable to small programs in helping poor people, IDCA's argument is not borne out by experience. For example:

—In Guinea-Bissau, rice production of small farm families increased tenfold under an aid project carried out with almost no direct-hire staff presence. The project brought higher per capita consumption and food self-sufficiency to hundreds of families, and is an effective model for expansion and use elsewhere. The same staff also manages a PL 480 program, activities in food crop production, work on small-scale fisheries, and primary teacher training, while providing support for the program in Cape Verde as well.

—Another project, with little direct-hire staff management, was carried out in Sierra Leone. A partial listing of activities over a three year period includes construction of 200 schoolrooms, 16 health clinics and warehouses, 69 wells, seven water systems, and about 1,600 miles of road. Participants trained on the project returned to work in local government community development offices, giving further impetus to development country-wide. A Rural Training Institute was created at Kenema, and the Njala University College—now the government's main sources of agricultural research and extension—was established.

—In Guatemala, despite official hostility toward cooperatives, AID began in 1970 to assist the national credit union federation and to build an agricultural cooperative federation. AID's major inputs were a \$2.1 million grant in 1970 and a \$4.5 million loan in 1974. Today nearly 10% of the poor majority in Guatemala are members of cooperatives or credit unions, and the government has turned to the co-ops to carry out its high priority colonization activities in the northern part of the country.

IDCA uses India as an example of a country that was able to transform its agricultural sector in the 1960's because it received sufficient financial, technical and analytical resources. In fact, only



about \_\_\_\_%<sup>5</sup> of US development assistance to India in the 1960's went into the agricultural sector. The impact this agricultural aid had was not due to its size, but rather because it was used for high quality projects that over a long period of time produced a cadre of skilled agricultural planners and major agricultural policy reform.

These are but a few examples of a substantial body of evidence which shows that even the smallest projects, when they are well-conceived and well-run, can have a profound impact on people's lives.

Neither experience, nor logic, nor the aid law itself gives any basis for limiting the search for worthy projects to a limited number of countries, especially if that list of countries is subjectively altered on a yearly basis. Many developing countries face altered development prospects, depending on specific political circumstances at particular points in time. It would be costly and inefficient to terminate and restructure assistance programs simply to meet the concentration objective.

There are other problems with IDCA's analysis. IDCA cites no examples of where and how a concentration of US aid might supply the critical mass of resources necessary to make a significant dent in a country's development. It is not clear on what basis IDCA rendered judgments on such complex areas as host government performance and commitment to development, which are key determinants in the ranking system. In addition, one element in the ranking seems inconsistent with IDCA's concentration proposal: IDCA would determine a country's need for US assistance by measuring per capita aid flows from other sources. But the logic of the concentration argument is that countries that receive substantial assistance from elsewhere should get more, not less, US aid.

Another factor to consider is that the proposed departure in policy could easily add to the domestic vulnerability of the AID program. Concentrating AID resources in a selected few countries would obviously raise the visibility of individual projects. If our relationship with one of those countries suffered a setback, Congressional resistance to the entire AID budget would increase sharply.

#### *Foreign Policy Costs of Concentration*

The other major concern of the Department is that the concentration policy would exact a clear political price, while offering at best an uncertain development return.

IDCA notes that "no other bilateral donor either provides such global assistance coverage or fields so large an assistance staff." That

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<sup>5</sup> As on the original.



is true. It is also true that no other donor has such wide global interests and responsibilities.

The importance of Third World nations to our security and well-being will continue to mount in the years ahead. And it is already very high. Our military depends on bases and communication and access facilities in Third World nations throughout the world. LDCs meet our needs for essential materials such as tin, bauxite, rubber, and—of course—oil. Developing nations take more of our exports than Japan and the European Common Market combined; the Third World will continue to be an area for instability and potential conflict, offering opportunities for Soviet exploitation.

In light of these considerations, assistance to poor people in developing countries is far more than a humanitarian gesture: aid is an investment in our own self-interest. It is probably the most important means we have for relating to the majority of the countries in the world; our most tangible expression of genuine concern about what happens to them; an investment in stability.

Moreover, the political importance of one country or another often cannot be projected. No one could have forecast two years ago that Somalia, Kenya and Nicaragua would today be near the top of our list of concerns. In a rapidly changing and volatile world our short-term priorities will vary greatly from year to year. The fact is that our long-term interests in the Third World are best served when we seek good relations with all Third World countries. This we can do most effectively by contributing to their long-term development.

Regardless of our protests to the contrary, implementation of the concentration strategy inevitably would be taken as an expression of American disinterest by any nation that is cut back or terminated. Even if “careful and orderly transitions” are planned for countries facing phase-outs, we cannot disguise the fact that the end result will be zero bilateral development aid. Indeed, just the preparation of a rank ordering of countries poses political problems. We cannot escape the reality that such rankings are likely to become public, producing an immediate political fall-out even if actual implementation is put off.

The damage concentration would cause can be appreciated by identifying some of the specific foreign policy costs we would encounter by terminating the country programs suggested by IDCA.

—*Burma*, the largest country in Southeast Asia, with immense untapped resources, which, after 20 years of isolation, has begun a gradual opening to the outside world, and more importantly to Western countries, including the US. Burma is one of the world’s poorest countries, with a per capita GDP of \$139.

—*Panama*. The political risks of not maintaining US support during the transition period of treaty implementation far outweigh the small saving that would be gained by a phase-out.

—*Costa Rica*. The country is important to our Caribbean basing strategy, and is a moderating force in Central America. In addition, while still requiring concessional assistance to meet pressing development needs, Costa Rica has become a development model for the region.

The IDCA policy of concentration hits hardest in Africa, which has one-third of the world's poorest countries and to which the Administration has devoted special attention. More than in any other area, bilateral assistance is our single most important contribution in individual African countries. But the ranking system employed by IDCA would result in \_\_\_\_<sup>6</sup> bilateral African aid programs being terminated in FY 82 and no new bilateral programs being started.

The IDCA approach is biased against Africa in several ways. It tends to favor large countries. There are 28 African countries with populations of less than five million. The IDCA approach would reward countries that have skilled personnel and government institutions capable of effectively designing and implementing complex equitable development strategies. The great majority of African countries have attained independence only within the past two decades and as a result skilled manpower is in short supply and institutional capacity limited.

Individually, the development of these small African countries may not be as important to the United States as the development of countries like Bangladesh or Nicaragua. Collectively, however, the development of these small nations is of equal or greater importance and our leverage would be all the greater. This is the sort of reality the IDCA formula cannot take into account.

Finally, the domestic political environment must also be weighed here. It is indisputable that the sympathy of the American public and the Congress for development objectives is a cyclical matter, varying sharply with economic trends and ideological moods. Still, to the extent we can demonstrate that development aid also supports American political and security interests, domestic support for those programs will be stronger and steadier over time.

We are now in a period when aid programs are underfunded and under constant attack. Surely this is the least propitious time to propose changes that would downplay the elements of aid that have the greatest popular appeal.

In sum, the Department opposes, on both economic and political grounds, IDCA's recommended policy of concentration. The concentration approach would limit our influence and damage our relations in the Third World while not increasing the effectiveness of our assistance efforts.

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<sup>6</sup> As on the original.

# Civil Service Reform

## 152. Briefing Memorandum From the Deputy Under Secretary of State for Management (Read) to Secretary of State Vance and the Deputy Secretary of State (Christopher)<sup>1</sup>

Washington, November 4, 1977

### SUBJECT

Personnel Management Reorganization

Scotty Campbell, Civil Service Commission Chairman, briefed Deputy and Under Secretary level representatives of all Cabinet Departments and major agencies today on personnel management reorganization plans.<sup>2</sup>

The proposals which have been developed for submission to the President and Congress in a reorganization plan and a major legislative submission early in 1978 are outlined in an attachment (Tab 1). The principal recommendations are designed:

- to give Cabinet Members and their top managers substantially enlarged authority over agency personnel;

- to replace the Civil Service Commission with an Office of Personnel Management to set personnel policy and a Merit Systems Protection Board to handle appeals and enforcement.

- to decentralize to the departments and agencies many of the regulatory responsibilities acquired by the Civil Service Commission; and

- to place new emphasis (through incentive bonus payments) on productivity.

The impact of the proposals on the Department of State would be limited, of course, to our 3100 Civil Service employees (1900 officers and 1200 staff). The other two-thirds of our work force which operates

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 6, Chron November 1977. No classification marking.

<sup>2</sup> Carter signed the Reorganization Act, P.L. 95–17, on April 6, 1977. The legislation permitted the administration to submit reorganization plans for executive branch agencies to Congress. In his signing statement, Carter noted, “I do plan to give my personal attention and support to the entire reorganization program.” For his remarks at the signing ceremony and the signing statement, see *Public Papers: Carter, 1977*, Book II, pp. 571–573.

under the Foreign Service Act<sup>3</sup> is expected to be exempted by the President as will other “excepted services.”

The changes to be recommended are constructive and much needed, and we have only minor amendments to suggest. Campbell and his colleagues have offered to brief either or both of you next week directly if you wish, and there may also be an early Cabinet meeting discussion of the package, which gets to the President late this month.<sup>4</sup>

## Tab 1

### Paper Prepared in the Department of State<sup>5</sup>

Washington, undated

#### *Reorganization of the Federal Personnel Systems*

##### 1. *Creating A Senior Executive Service*

—Establish a Senior Executive Service of about 9000 persons whose duties are managerial in nature, and would include not more than 1570 persons appointed on a non-career basis.

—The Senior Executive Service would replace GS-16, 17, and 18 and Executive Level V (except for Presidential appointees)

—Establish a parallel Career Senior Professional Service for non-managerial personnel. (scientists, engineers, attorneys and individual specialists.)

—Authorize agency heads to transfer senior executives among positions; set their salaries within a range established by law; pay annual incentive bonuses not to exceed 20% of salary) and provide education and training, including sabbaticals.

—Authorize agency heads to remove individuals from the Senior Executive Service without rights of appeal.

—Authorize the central personnel agency, in consultation with OMB, to allocate the number of senior executive positions and to establish the proportion which may be filled on a non-career basis.

—Expected benefits from these proposals include a highly competent, responsive managerial leadership with limited tenure rights and high rewards.

<sup>3</sup> Reference to the Foreign Service Act of 1946 (P.L. 79-724).

<sup>4</sup> See Carter’s message to Congress transmitting his program for Civil Service reform, March 2, 1978, in *Public Papers: Carter, 1978*, Book I, pp. 444-449. S. 2640, Civil Service Reform Act of 1978, was introduced in the Senate the next day.

<sup>5</sup> No classification marking.

## 2. *Restoring Managerial Authority*

—Authorize annual bonuses of up to 15% of salary for unusually productive employees GS–9 to GS–15. Bonuses to be financed by reducing the amount and frequency of automatic step increases.

—Authorize removal of non-performing employees through a 90-day simplified system. Appeals would be limited to grounds of substantial procedural error.

—Repeal present performance rating system and require agencies to install their own systems.

—Grant preference in Reduction in Force to those who have received bonuses or incentive awards.

—OMB and CSC to develop alternative measures to the multiple staffing controls now in use.

—Expected benefits from these proposals include strengthening of managers capacity to motivate and direct employees, and reduction in burden and expense of multiple control systems.

## 3. *Choosing and Developing Career Employees*

—Amend Veterans Preference Act<sup>6</sup> to:

—retain preference for veterans with 30% disability (rather than the current 10%)

—remove “Rule of Three” which limits selecting officer to three names.

—allow veterans to be passed over.

—limit use of veterans preference to 10 years

—eliminate veterans preference in reduction-in-force

—eliminate preference for those who have retired from the military services.

—Authorize delegation of examining authority to agency heads under performance contracts.

—CSC to repeal current detailed promotion plan requirements and allow agencies to design their own systems under general standards.

—Expected benefits of these proposals include improving the quality of the examining process and quality of new hires and reducing the adverse impact of the present system on women.

## 4. *Redesigning Compensation Systems*

—Convert about 740,000 clerical and administrative positions to a wage system based on local rates.

—Redefine Federal salary comparability on a total compensation basis to include the value of fringe benefits.

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<sup>6</sup> P.L. 78–359.

—Reduce the frequency and amount of periodic step increases for middle level (GS-9 through GS-15) employees. Use these savings to provide funds for incentive bonuses and advanced training.

Expected benefits from these proposals include rewarding performance rather than length of service; making government more competitive in high cost areas and reducing criticism of excessive Federal salaries in certain geographic areas.

#### 5. *Ensuring Affirmative Action*

—Transfer EEO complaints to a Merit Systems Protection Board. Authorize EEOC to issue orders against Civil Service regulations and selection procedures.

—Define aged and handicapped as protected classes under Title VII.<sup>7</sup>

—Conform the EEO complaint process to general appeal and arbitration system.

Expected benefits from these proposals include more rapid discrimination complaint decisions, increase employees confidence and assure linkage between public and private sector policies.

#### 6. *Replacing the Civil Service Commission with an Office of Personnel Management*

—Abolish the Civil Service Commission

—Create an Office of Personnel Management

Expected benefits from these proposals include an increase in public confidence, employee confidence that their rights are fairly protected, and a positive personnel program with emphasis on productivity and responsiveness.

#### 7. *Decentralizing Personnel Management*

—Central personnel agency to delegate up to 63 of 78 present authorities to agencies.

—Central personnel agency to contract with agencies specifying the expected standard of performance.

Expected benefits from these proposals include elimination of unnecessary paperwork; reduction in time required to obtain decisions; personal [*personnel*] decisions made by manager close to the issue.

#### 8. *Protecting Merit Systems and Employee Rights*

—Transfer adjudicatory functions of Civil Service Commission, Federal Employee Appeals Authority and Appeals Review Board to an independent Merit Systems Protection Board.

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<sup>7</sup> Reference to Title VII of P.L. 88-352, Civil Rights Act of 1964.

—Have Merit Systems Protection Board handle all types of employee appeals except Fair Labor Standards and Classification appeals.

—Permit use of arbitration instead of a hearing at request of employee.

—Direct Merit Systems Protection Board to investigate violations of merit in agencies.

Expected benefits would be a consolidated, single level appeal system which is speedy, economical to operate, and fair to both managers and employees.

#### *9. Establishing a Permanent Framework for Federal Labor Relations*

—Establish a neutral Federal Labor Relations Board

—Create a Joint Consultation Council including both union and agency representatives.

—Recommend no bargaining on economic issues, no right to strike and no expansion of scope of grievance procedures.

Expected benefits are a permanent system for Labor relations; a neutral board overseeing this area, and allows Office of Personnel Management to concentrate on management efforts.

#### *10. Improving Intergovernmental Programs*

—Consolidate the various merit system requirements applicable to state and local governments into a single set of standards.

—Provide for an experimental 3 year program of general management improvements grants.

Expected benefits include simplifying problems of state and local governments, avoiding policy conflicts among Federal agencies, and leading to better personnel administration.

**153. Memorandum From the Director of the Office of Civil Service Career Development and Assignments (Bourbon) to the Director General of the Foreign Service and Director of Personnel (Barnes)<sup>1</sup>**

Washington, June 2, 1978

SUBJECT

Status of FPMP

The House Government Operations Committee will hold hearings on Reorganization Plan Number 2<sup>2</sup> (to establish an Office of Personnel Management) on June 6, 1978. The Reorganization Plan was sent to the Congress on May 23 and the 60th day after submission will be August 9. If approved, the Reorganization Plan will take effect on either October 1, 1978 or January 1, 1979.

Democratic Members of the House Post Office and Civil Service Committee are currently caucussing on the Civil Service Reform Act of 1978.<sup>3</sup> The Senate is not in session.

At the conclusion of the Civil Service Commission sponsored meeting on executive development and productivity which was held on Tuesday, May 30, Jule Sugarman made the following observations regarding the Civil Service Reform Act:

—We should know by June 9 where the Senate is coming out on the bill. There is reason for confidence regarding that outcome.

—On the House side, it is anybody's guess regarding final disposition.

—Areas where compromise may be necessary:

*Whistleblowers*

Protection would be available to them if they go through their own Office of Inspector General, but no protection if they go public first.

*Veteran's Preference*

The goal will be language which satisfies all Viet Nam veterans and all disabled veterans.

One idea is to allow veteran's preference for 15 years after discharge or assure coverage until 1985 or have a one-time only life time use.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 1, Chron June 1-6, 1978. No classification marking. Printed from an unsigned copy.

<sup>2</sup> Carter submitted Reorganization Plan No. 2 of 1978 to Congress on May 23. See *Public Papers: Carter, 1978*, Book I, pp. 953-959.

<sup>3</sup> See footnote 4, Document 152.



—*Labor Management Relations*

Mr. Granquist<sup>4</sup> of OMB added that while the President will go along with putting Executive Order 11491<sup>5</sup> into law (proposed Title VII)<sup>6</sup> he is not prepared to go beyond that.

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<sup>4</sup> Wayne G. Granquist.

<sup>5</sup> E.O. 11491, "Employee-Management Relations in the Federal Service," was signed on October 29, 1969.

<sup>6</sup> Reference to Title VII, "Federal Service Labor-Management Relations," of the proposed Civil Service Reform Act.

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## 154. Memorandum of Conversation<sup>1</sup>

Washington, June 9, 1978, 4 p.m.

### PARTICIPANTS

Mr. Sugarman  
Mr. Messner  
Mr. Read  
Mr. Galloway  
Mr. Gershenson

### SUBJECT

Civil Service Reform

Mr. Sugarman began by saying this was the first of a series of meetings he would hold with various government agencies to discuss the implications of the FPMP. The Senate markup of the bill is almost complete and no significant modifications have been made in the proposed bill. In the House, the Democratic caucus initially modified the bill to add unacceptable labor/management proposals to it. The feeling is, however, that once the bill reaches the floor, it will be passed without the major changes. The only major issue they have little hope for is the modification of veterans' preference.

Based on this optimistic appraisal, Mr. Sugarman gave Mr. Read a letter, pointing out a number of areas in which agencies should begin to work immediately in order to permit them to make the implementa-

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 1, Chron June 7–9, 1978. No classification marking. Drafted by Gershenson. The meeting took place in Read's office.

tion timetable in the legislation. In principle, and with the exception of merit pay, the entire system is expected to be operable 9 months after the President signs the bill (expected to be in October of this year).

In the wide-ranging discussions that followed, a number of specific issues were raised:

—Mr. Messner asked our views on the percentage of senior executives in the government we expect might opt to enter the Executive Corps. Mr. Sugarman said he would anticipate some 80% would join. Mr. Messner said he had signals that it would be a much lower percentage. Mr. Messner mentioned the high priority given to Civil Service Reform by the Administration and its high visibility in terms of future political campaigns. It was thus important that everything possible be done to encourage a high percentage of Executive Corps acceptance.

In this connection, the group discussed the Foreign Service's earlier experience with conversion programs, particularly the Wriston program<sup>2</sup> and lateral entry under Diplomacy for the 70's.<sup>3</sup> Mr. Read asked Personnel to pull together a brief review of our conversion programs in terms of the inducements given, the impediments to each effort, and the results.

The following timetable for transfer to the Executive Service was anticipated: approximately 90 days after passage of the legislation, agencies would be required to identify the positions that would become a part of the Executive Service. Sometime within a month or so thereafter, offers would be made to the incumbents of those positions to join the Executive Service. Mr. Messner made clear that the President was determined to have people encouraged to join, not compelled to do so.

Then there was a discussion of a number of specific points in Mr. Sugarman's letter, attached:<sup>4</sup>

—On establishing performance standards for all employees, a deadline of next March 31 would be set for agencies to have their systems in place. Mr. Read indicated we are probably in a better position than most in this area.

—In terms of a system to establish critical job elements in order to determine if performance was unsatisfactory (Item 7), Mr. Sugarman

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<sup>2</sup> The Wriston program, 1954–1958, brought several hundred officers into the Foreign Service through lateral entry. See also footnote 4, Document 206.

<sup>3</sup> Reference to U.S. Department of State, *Diplomacy for the 70's: A Program of Management Reform for the Department of State* (Washington: U.S. Government Printing Office, 1970). See also *Foreign Relations, 1969–1976*, vol. II, Organization and Management of U.S. Foreign Policy, 1969–1972, Document 312.

<sup>4</sup> Not found attached.

pointed out this task would take 3 to 5 years and would be related to job descriptions.

—Mr. Sugarman indicated that agencies would have approximately 6 months in which to seek from the new central personnel management authority to take over certain CSC personnel management programs.

—Mr. Sugarman indicated that it would be at least one year before they would be able to develop the merit pay system.

A number of points mentioned in the letter will take effect immediately upon passage of the bill; i.e., a new arbitration system will be in place, but agencies will have to develop their own procedures to use it. Similarly, agency adverse action systems will have to be modified to conform with the new system.

Mr. Read asked if we might not briefly discuss the possibility of an interrelationship between the Foreign Service system and the new FPMP. Specifically, could we phase change in our system in such a way as to bring it into agreement with the FPMP and still remain an excepted service?

Mr. Messner indicated he did not understand the reason for doing something like this. He felt the Department would have a hard time getting legislation to align itself with an already established system (FPMP). He said it would be very difficult for the Department to get OMB support for its own legislation as it did not have a very solid justification for not participating in the general system.

There was a discussion of the possibility that some, but not all, of the Foreign Service system might become part of the FPMP. The problem was that while all Foreign Service officers now in executive level jobs would remain in them, new people for these jobs could only be selected after certification by the central personnel management authority. A qualified list of candidates from *throughout* government would be provided and the agency could make the final selection.

There was also a discussion of classification questions and how the classification of the Department's positions could be managed. In response to a question on the control of the number of executive positions, Mr. Sugarman indicated that the initial number would be entirely in the hands of the agency itself. Subsequent changes in that number would be managed by the Office of Personnel Management.

A number of other points were made on the pros and cons of FPMP for the State Department. There was a clear consensus that a great deal of work would have to be done before we could intelligently evaluate the situation. Mr. Read indicated that we would form a small, high-level task force to look into the pros and cons of the entire issue and develop our position. He indicated we would have a group in place and operating by early July.

**155. Memorandum From the Director of the Office of Civil Service Career Development and Assignments (Bourbon) to the Director General of the Foreign Service and Director of Personnel (Barnes)<sup>1</sup>**

Washington, August 4, 1978

SUBJECT

Civil Service Reform Legislation

The House Post Office and Civil Service Committee print of the Civil Service Reform Act of 1978, which was expected at CSC today, has not yet arrived. We will get a copy when it does arrive.

A *New York Times* article of August 3, 1978 (attached)<sup>2</sup> reports that the administration has withdrawn its opposition to excluding the FBI from the Senior Executive Service. This has bearing on our own situation since administration opposition to excluding the Foreign Service is based, in part at least, on a desire to maximize the SES coverage by law and deal with specific cases through the process of administrative exemption. That stance has now been modified.

Until quite recently, the proposed schedule of events for the Civil Service Reform Act was to bring the measure to the House floor by August 8 and for it to be voted on by recess. The time-frame has now slipped. The plan currently is to get it to the Rules Committee on August 9 and then get it to the floor for debate before recess. A three week recess, beginning August 18, is now considered likely.

Mr. Udall is expected to be floor manager of the bill. The plan apparently is to try to "blitz" it through the House with minimum amendments. The most likely administration amendments to be offered on the floor, will relate to removing the title containing Hatch Act<sup>3</sup> revisions and removing the two-year limitation on the SES. If that works, and no other major amendments are offered and carried, the goal would be to perfect the bill (including the Labor Management Relations Title) in conferences. Mr. Udall expects to have a strong voice in choosing House conferees, thus assuring that the administration changes and desires are fully understood in the conference committee.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 2, Chron August 4-8, 1978. No classification marking. Drafted by Bourbon. Cleared by Nancy Rawls (DGP/PER). Printed from an unsigned copy.

<sup>2</sup> Attached but not printed. See "Civil Service Plan Won't Include F.B.I.," *New York Times*, August 3, 1978, p. A22.

<sup>3</sup> A reference to the Hatch Act of 1939, entitled "An Act to Prevent Pernicious Political Activities."

While the above is an interesting strategy, it is certainly at variance with the plans up to this time. Chairman Campbell and others have been indicating that the imperfections in the House bill could largely be cured on the House floor. Either for reasons of time, or because action on the House floor is no longer as predictable as formerly thought, the strategy has changed.

The Senate now appears likely to defer floor action until the House has voted on its version of the bill.

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**156. Memorandum From the Director of the Office of Civil Service Career Development and Assignments (Bourbon) to the Director General of the Foreign Service and Director of Personnel (Barnes)<sup>1</sup>**

Washington, August 18, 1978

SUBJECT

Status of FPMP

Last Friday, August 11, the Civil Service Reform Act of 1978 was reported to the floor of the House under a rule which provides for one hour of general debate followed by amendments. After the hour of debate was completed, it developed that Congressman Clay had 70 amendments to offer. The bill was then taken off the calendar. On Wednesday, August 16, the bill was placed on the calendar for Thursday, August 17. It then developed that agreements which were thought to have been cemented between last Friday and Wednesday, were not solid. Congressman Clay still had many amendments. The bill was pulled off the calendar and has been rescheduled for September 7 and 8. Efforts are going forward to reconstruct the compromise that had been agreed on earlier.

It is believed that the Senate will take the bill up next week. Accommodation has been reached with Senators Mathias and Stevens (who have between them, 100 possible amendments) to drop their amendments in exchange for an increase in employee rights and changes in the SES. The Senate does not plan to recess until about August 30.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 2, Chron August 17–18, 1978. No classification marking. Printed from an unsigned copy.

Administration officials are still quite optimistic about the chances for an acceptable bill this session. However, at this point, timing is critical. If there are major filibusters in the Senate or if Mr. Udall is unable to devise some accommodation in the House quickly, chances for legislation will be greatly lessened. It should be mentioned that at levels in the CSC below the top, there is nowhere near as much optimism.

The implementation working group, dealing with SES, will meet at the CSC on August 28. I will attend.

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**157. Memorandum From the Director of the Office of Civil Service Career Development and Assignments (Bourbon) to the Director General of the Foreign Service and Director of Personnel (Barnes)<sup>1</sup>**

Washington, August 25, 1978

SUBJECT

Status of FPMP

The Civil Service Reform Act of 1978 was approved by the Senate last night by a vote of 87-1.

The Senate added a number of provisions as amendments to the Administration proposals. These included:

1. Strengthening the section on "whistleblowers", by providing anonymity to persons seeking to expose wrongdoing;
2. Limiting the combined military pension and salary available to retired military to \$47,500;
3. Giving the Merit Systems Protection Board authority to overturn policies adopted by the Office of Personnel Management;
4. Deleting the Administration proposals relating to Veterans' Preference;
5. Placing a numeric floor or minimum on the number of career reserved positions to be included in the Senior Executive Service. This number would be equal to the current number of career supergrades.

Senator Pell introduced, and secured approval of, an amendment that removes FSOs from the coverage of the bill. In the opinion of Sally

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 2, Chron August 24-25, 1978. No classification marking. Printed from an unsigned copy.

Greenberg at CSC, the amendment also probably excludes FSIOs, but does not exclude FSRs and FSRUs.

It is still anticipated that the House will take up the measure during Labor Day week.

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**158. Memorandum From the Director of the Office of Civil Service Career Development and Assignments (Bourbon) to the Director General of the Foreign Service and Director of Personnel (Barnes)<sup>1</sup>**

Washington, September 29, 1978

SUBJECT

Status of Civil Service Legislation

The conference committee ironed out most of the disagreements on the Civil Service Reform Act yesterday. The committee's staff is now working on language and a few remaining details. The final conference meeting will be held on Tuesday<sup>2</sup> at 10:00. It will take several days before a bill is ready for transmission to both houses.

Title IV (Senior Executive Service) excludes the Foreign Service from its coverage. Title VIII (Saved Grade/Saved Pay) will be accepted as the administration wants it. Title VI (Research and Demonstration) will cover us.

Title II (Civil Service Functions) gets complex. An issue which caused much heat during the conference was the question of how to treat mixed appeals—that is appeals which contain elements of both personnel management and EEO. The process now will be:

1. Mixed appeals will go to the Merit System Protection Board (MSPB).
2. If the MSPB finds in favor of the employee on both issues, that closes the appeal.
3. If the MSPB does not find in favor of the employee, the entire appeal goes to EEOC.
4. EEOC may support the MSPB that will also close the appeal.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 3, Chron September 29–October 3, 1978. No classification marking. Drafted by Bourbon. Cleared by Nancy Rawls (DGP/PER). Printed from an unsigned copy.

<sup>2</sup> October 3.

5. If EEOC reverses MSPB on a matter related only to Civil Service laws, the appeal goes back to MSPB for a second review.

6. If conflict continues to exist between EEOC and MSPB, the matter will go to a special tribunal. The tribunal will have three members—one from MSPB, one from EEOC, and one outsider appointed by the President. They will rule on the matter.

7. Following this ruling a judicial review will be available.

Regarding the status of the MSPB in relation to the Foreign Service Grievance Board, it is expected that the conference report will contain language similar to the attachment.

### **Attachment**

#### **Paper Prepared in the Bureau of Personnel<sup>3</sup>**

Washington, undated

The committee of conference recognized that some difficulties may be encountered in applying the bill's provisions on employee complaints and appeals to officers and employees of the Foreign Service. The Foreign Service Act of 1946 provides a separate personnel system for the Foreign Service, and was amended in 1975 to establish an independent Foreign Service Grievance Board. In developing procedures under this bill for the consideration of alleged prohibited personnel practices and adverse action appeals, involving Foreign Service personnel, efforts should be made to achieve maximum compatibility with the Foreign Service Act, and to avoid either duplication or fragmentation of remedies. It is the committee's intent that full effect should be given to the laws applicable to federal employees generally and also to those dealing specifically with the Foreign Service. If substantial problems are encountered, the Executive Branch should provide the Congress with recommendations for clarifying legislation.

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<sup>3</sup> No classification marking.



**159. Memorandum From the Director of the Office of Civil Service Career Development and Assignments (Bourbon) to the Director General of the Foreign Service and Director of Personnel (Barnes)<sup>1</sup>**

Washington, October 6, 1978

SUBJECT

Status of FPMP

The Civil Service Reform Act of 1978 has passed. On Wednesday, October 4, the Senate passed it by a voice vote. On Friday, October 6, the House passed it by a vote of 360–8. A conference report is expected shortly.

The bill must first be enrolled and then a signing ceremony arranged. No one yet has any estimates as to when the signing ceremony will be held.<sup>2</sup>

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 3, Chron October 4–6, 1978. No classification marking. Printed from an unsigned copy.

<sup>2</sup> See footnote 7, Document 160.

**160. Memorandum From the Assistant Director of Legislative Research, Office of Management and Budget (Frey) to President Carter<sup>1</sup>**

Washington, October 12, 1978

**SUBJECT**

Enrolled Bill S. 2640—Civil Service Reform Act of 1978  
Sponsor—Sen. Ribicoff (D) Conn. and 3 others

*Last Day for Action*

October 23, 1978—Monday

*Purpose*

Establishes fundamental reforms in the Federal Civil Service system which include new agencies to administer reorganized and restructured central personnel management, merit protection and labor relations functions; revised appraisal, discipline, appeals and dismissal procedures; a special personnel system for senior executives; and incentive pay plans for executives and mid-level managers which emphasize quality of performance.

*Agency Recommendations*

Office of Management and Budget	Approval (Signing statement prepared)
Civil Service Commission	Approval
Department of Defense	Approval
Department of Justice	Approval (Signing statement attached) <sup>2</sup>
Department of Labor	Approval
Veterans Administration	Approval

*Discussion*

S. 2640 would install nearly all of the basic reforms in the Federal civil service system which you recommended in your Message to Congress of March 2, 1978.<sup>3</sup> The Senate passed its version of the bill 87–1, and the House its version, 385–10.<sup>4</sup> The Conference version was adopted by voice vote in the Senate and by vote of 365–8 in the House.

<sup>1</sup> Source: Carter Library, White House Central Files, Box PE–4, PE–1, 10/1/78–3/31/79. No classification marking.

<sup>2</sup> Not found attached.

<sup>3</sup> See footnote 4, Document 152.

<sup>4</sup> H.R. 11280 passed in the House on September 13.

Except for omission of the Administration proposal for modification of lifetime veterans preference, the enrolled bill includes substantially all of the proposals critical to reform that were contained in the Administration bill. Thus, S. 2640 would:

- codify merit system principles and authorize discipline of employees who commit prohibited personnel practices;

- establish a new Office of Personnel Management (OPM) to supervise and direct the management of executive branch personnel, and to issue Government-wide personnel regulations, with authority to delegate certain personnel authorities to the agencies;

- establish an independent Merit Systems Protection Board (MSPB) and a Special Counsel to enforce merit system principles, and to adjudicate employee appeals;

- provide new protections to employees who disclose illegal or improper Government conduct or practices;

- streamline procedures for discipline and dismissal of employees;

- establish a new performance appraisal program, and new standards for dismissal based on unacceptable performance and suspension based on a pattern of discourteous conduct to the public;

- create a Senior Executive Service as a distinct personnel system with special procedures for selection, development and pay of high-level Federal managers;

- provide a Merit Pay Plan for mid-level (GS 13–15) managers and supervisors, linked to quality of performance;

- authorize OPM to conduct experimental and demonstration projects in personnel systems and methods; and

- provide a statutory base for labor-management relations under a new, independent Federal Labor Relations Authority (FLRA).

While most of the reforms would take effect 90 days after enactment, the Senior Executive Service feature would be effective in 9 months, and the Merit Pay Plan would not be effective until 1981.

#### *Civil Service Reform Provisions of the Bill*

The balance of this memorandum highlights some of the more significant deviations from the Administration's recommendations. It must be noted, however, that in no case do these changes represent any major departure from the overall thrust of the bill to revamp the civil service to increase the efficiency and responsiveness of Government.

#### *New Agency Officials: Removal, Terms, Functions*

The enrolled bill would somewhat restrict the President's power to remove members of the MSPB, its Special Counsel and the members of the FLRA, by providing for removal in each case only for inefficiency,

neglect of duty or malfeasance in office. The Administration bill proposed unrestricted removal authority in the case of the MSPB's Special Counsel and the members of the FLRA.

Similarly, S. 2640 would provide different terms for the Special Counsel (5 years) and the MSPB (7 years), while the Administration proposed identical 7-year terms for both. S. 2640 would establish a 4-year term for the Director, OPM, while the Administration proposed no fixed term. Finally, S. 2640 would require separate Senate confirmation of the individual selected by the President to serve as Chairman of the MSPB.

These changes were designed to ensure independence of these entities and, while they could make for some awkwardness, do not present serious obstacles to efficient functioning.

The enrolled bill would enlarge the function of the MSPB to include a form of oversight over the OPM that was not contemplated in the Administration bill. The MSPB would be empowered to declare a rule or regulation of OPM invalid as inconsistent with merit principles, and would be required to include analysis of OPM's compliance with merit principles in its annual report to Congress.

OPM's authority to delegate certain personnel functions to the agencies would be somewhat curtailed under the enrolled bill, which would bar delegation of authority for competitive examinations for positions common to all agencies other than in exceptional cases.

S. 2640 provides "by-pass" authority for the MSPB, under which that agency would submit its annual budget and any legislative proposals directly to Congress at the same time they are submitted to the President. The Administration has consistently opposed by-pass authority for Federal agencies as improperly diminishing Presidential control over the executive branch, and was successful in deleting by-pass authority for OPM from the bill in conference.

#### *"Whistleblower" Protection and Role of Special Counsel*

The Administration bill contemplated protection from reprisals for employees who disclose activities that are contrary to law, rule or regulation. S. 2640 would extend protection to disclosures of "mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety." The scope of protected disclosures would thus be much broader and more subjective. In addition, S. 2640 would impose a duty on the agencies involved, and on the Special Counsel, to investigate and report on disposition of the matters disclosed.

#### *Appeals: Discrimination Cases; Burden of Proof*

In cases involving both discrimination issues and adverse personnel action matters appealed to the MSPB (so-called "mixed cases"), the

Administration bill contemplated that the Board initially would hear and decide both issues, with review by the Equal Employment Opportunity Commission (EEOC) of the discrimination aspects of the MSPB decision. A compromise of the differing approaches to this issue produced the somewhat complex procedure contained in S. 2640.

The enrolled bill provides that a “mixed” case would be appealed first to the MSPB. If the decision is adverse to the employee on the discrimination aspect, it could be appealed to the EEOC. If that body takes jurisdiction and its decision conflicts with that of the MSPB, the conflict would be resolved by a third panel established for the purpose. The new panel would be comprised of one member each from the EEOC and MSPB and a chairman appointed by the President, by and with the advice and consent of the Senate for a 6-year term.

A major objective of civil service reform was to make it easier to separate marginal employees. Thus, the Administration bill proposed that an employee who appeals a dismissal or suspension or other adverse management action must bear the burden of proof in establishing that the agency’s action was unfounded. S. 2640 would shift the burden for justifying the action proposed back to the agency, as under present law, but would require a lower standard of proof, i.e., “substantial” evidence, in cases where unacceptable performance is the issue, while retaining the requirement of present law for a “preponderance” of the evidence in misconduct cases.

#### *Veterans Preference*

The Administration proposal to modify lifetime veterans preference was eliminated during Congressional consideration of the bill. As proposed by the Administration, additional preference for disabled veterans, including noncompetitive appointment for those with 30% disability, is included in S. 2640, along with elimination of veterans preference for retired military officers of the rank of Major (or equivalent) and above.

#### *Senior Executive Service*

The Administration bill contemplated that all agencies except those in the intelligence community would be covered by the SES, subject to exclusion by the President. S. 2640, in addition, would exempt the FBI, the Foreign Service, and certain positions in the Drug Enforcement Administration. Thus, some 8400 managerial and supervisory positions would be in the SES instead of the 9,000-plus originally intended.

The scope of the SES also would be expanded somewhat under the enrolled bill, compared to the Administration bill, to include, along with managers and supervisors, positions in which the employee “exercises important policy-making, policy-determining or other executive functions.”

The Administration proposal contemplated incentive pay for Meritorious and Distinguished Executives at the annual rate of \$2,500 and \$5,000, respectively, for a period of five years. Under S. 2640, these amounts would be reduced to a lump sum of \$10,000 and \$20,000 respectively, for one year. However, the maximum limit on combined salary, performance award, and meritorious or distinguished rank would be the rate for Executive Level I, currently \$66,000, instead of 95% of the rate for Executive Level II or \$54,625, as proposed in the Administration bill.

Unlike the Administration proposal, the enrolled bill would restrict access to SES positions by persons outside Government. S. 2640 would set a 30% maximum on the number of positions that can be filled by persons with less than 5 years of continuous service in the civil service immediately prior to SES appointment, unless the President certifies to Congress that this limitation would hinder Government efficiency.

S. 2640 would provide somewhat greater protection than proposed to career employees in the SES during performance evaluation. The bill would require that a majority of the members of an appraisal board be career employees unless there are insufficient numbers of career employees to comply with this requirement.

Finally, under the enrolled bill, the Congress could discontinue the SES five years after its effective date by adopting a concurrent resolution to discontinue the program. While this is contrary to the position you have taken on the unconstitutionality of legislative vetoes, as a practical matter, it seems unlikely that the Congress would attempt to terminate the Senior Executive Service by concurrent resolution after it has been in full operation for five years.

### *Labor Relations*

The Administration bill contemplated enactment of the Executive Order provisions as a statutory labor-management charter.<sup>5</sup> Numerous changes in the labor relations proposal were made by the Congress, but most are relatively unimportant, and only in the following aspects do the changes go significantly beyond the Executive Order. Under the enrolled bill, the scope of bargaining would be amplified somewhat over the Order to permit, but not require, bargaining in areas now prohibited, e.g. numbers, types and grades of employees or positions assigned to a unit, project or tour of duty; and technology, methods and means of performing work. In addition, central agencies, such as OPM, OMB and GSA, would be required to consult, but not bargain, before issuing Government-wide regulations that effect changes in conditions of employment. The right to go to arbitration on grievances, now a matter for negotiation, would become a statutory right under the enrolled bill. Similarly, union dues check-off at no cost to the

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<sup>5</sup> A reference to E.O. 11491; see footnote 5, Document 153.

union would be a matter of statutory right, where now the benefit is negotiated, and employee negotiators would be entitled to conduct union business on official time, in the same manner as agency negotiators.

Finally, all contested issues in an FLRA decision, except arbitrators' awards and bargaining unit determinations, would be reviewable by the U.S. Court of Appeals, where the Administration bill contemplated that FLRA decisions would be final and not reviewable by the courts except on constitutional issues, as is the case under the existing Order.

On the other hand, the enrolled bill would empower the FLRA to withdraw recognition from, or otherwise punish, an organization that calls for or participates in a strike, work stoppage or slowdown. Also, for the first time, the Government would be able to correct the record and make other statements in the course of a representational election without invoking an unfair labor practice penalty.

#### *Other Provisions of the Bill*

In addition to its civil service reform provisions, the enrolled bill includes a number of amendments which the Administration supported, or did not oppose.

#### *Grade and pay retention*

The enrolled bill includes the Administration's retained grade and pay proposal which was submitted by the Civil Service Commission last year, in response to your assurances to employees that they would not be hurt by reorganization activity. This proposal would allow employees downgraded as a result of reorganization, transfer of function, closing of a base or other facility, reduction in force, or job reclassification action, to retain the higher grade for two years, after which they would revert to the lower, proper grade. They would, however, continue to receive the pay of the former grade indefinitely. Such employees whose pay is thus "saved" would receive only 50% of annual comparability adjustments so that gradually their pay would catch up with the proper pay rate for the reduced grade.

#### *Limitation on employment*

This amendment would impose a ceiling on the total number of civilian employees in the executive branch (excluding the Postal Service and Postal Rate Commission) for three years. It would require that on September 30, 1979, 1980, and 1981, total executive branch employment not exceed the number of employees that existed on September 30, 1977. This would require a reduction of about 43,000 positions below the currently planned 1979 ceilings.

Part-time employees in excess of those employed in September 1977 could be counted on a full-time equivalent basis; and employment

in excess of the 1977 ceiling could be authorized by the President if he deems it necessary in the national interest, but not to exceed the percentage increase in the population from September 30, 1978. The President, further, is to direct that no increase in contracting out occurs as a result of the ceiling unless it is financially advantageous for the Government to do so. The ceiling provision would be inapplicable during a war or national emergency.

*Limitation on Executive Level Positions*

The enrolled bill would require the Director of OPM, six months after enactment, to determine and publish in the Federal Register the number of Executive Level positions in the executive branch as of the date of enactment. The bill would set the published number as the ceiling on such positions. In addition, by January 1, 1980, the President would be required to transmit to Congress a plan for authorizing executive level positions in the executive branch, together with the maximum number necessary and a justification for the positions.

*Restriction on Pay of "Double Dippers"*

The enrolled bill would impose a new ceiling on the combined pay of a retired military officer employed in a civilian position in the executive branch. The new limitation would be the rate of Executive Level V; when the combined retired and civilian pay exceed that limit, military retired pay would be reduced accordingly. The amendment is prospective, and would apply only to military personnel who become entitled to military retired pay after enactment. The Director of OPM, for the first 5 years following enactment, could authorize an exception to this restriction only when necessary to meet emergency employment needs for medical officers.

Other miscellaneous provisions added to the civil service reform bill include (1) authorizing the hiring of interpreters for deaf employees; (2) requiring OPM to establish a minority recruitment program to eliminate underrepresentation of minority groups in Federal civil service positions; (3) requiring the Office of Management and Budget to conduct a study looking to greater decentralization of Federal offices outside Washington; and (4) requiring OPM and agencies to report to local United States Employment Service offices vacancies in positions for which applicants from outside the Government are sought.

This Office has prepared a signing statement for your consideration which has been forwarded separately to your staff.

In its two attached letters on the enrolled bill,<sup>6</sup> the Department of Justice expresses concern about the constitutionality of the authority

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<sup>6</sup> Not found attached.



proposed for the MSPB to overturn the regulations of an executive agency such as OPM. Further, the Department reiterates the view expressed in its earlier opinions to the Civil Service Commission and to Senator Ribicoff, that the MSPB Special Counsel would be performing executive functions, and that individuals performing such functions must be removable at the discretion of the President. Finally, the Department notes that a similar question is raised by the limitation on removal of members of the FLRA. The Department states, however, that a determination as to the extent of the FLRA's executive functions must await fuller development of the manner in which the FLRA performs its functions.

The Department concludes, however, that despite the restrictions on removal of the Special Counsel, the President may legitimately approve the Civil Service Reform Act. The Department also suggests that, in so doing, the President should make clear by way of a signing statement that he does not believe the restrictions on his authority to remove the Special Counsel are valid, and that a similar question may arise with respect to the FLRA. The Department attaches such a statement for consideration.

If you should decide to include the suggestion of the Department of Justice in a signing statement, we would suggest that reference to termination of the Senior Executive Service by concurrent resolution also be made in such a statement.

As noted earlier, these many changes do not substantially modify the thrust of the bill. They were accepted in the spirit of compromise that was essential to timely enactment of a reform bill "of which the Congress and the President can be most proud," as noted by Senator Ribicoff.<sup>7</sup>

**James M. Frey<sup>8</sup>**

*Assistant Director for Legislative Reference*

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<sup>7</sup> Carter signed S. 2640 into law on October 13 as P.L. 95-454. For the text of his signing statement, see *Public Papers: Carter, 1978*, Book II, pp. 1765–1766.

<sup>8</sup> Printed from a copy that bears this typed signature.

# Discontent in the Foreign Service and Foreign Service Reform

## 161. Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to Secretary of State Vance<sup>1</sup>

Washington, January 25, 1978

### *Your Meeting with the FSO Group*

#### *Background*

You have agreed to meet with a small group of FSOs<sup>2</sup> who represent the 500-some officers who signed a letter (attached) expressing concern over the state of the Service.

This is a serious group. It came together spontaneously. Originally there were 46 signers, mostly mid-level officers, many of whom work on the sixth and seventh floors and are highly regarded.

The total list of signatures is generally representative of all four cones.<sup>3</sup> Among them are Ambassadors, Deputy Assistant Secretaries and The President of the Consular Officers Association. A high proportion of women and some minorities signed. No effort was made to gather signers from overseas although some signatures emerged from the Asian Chiefs of Mission meeting.<sup>4</sup>

The group has taken care to proceed as responsibly as possible. They provided your office with an advance copy of the letter on December 28<sup>5</sup> before opening it to wider endorsement. They sought to prevent leaks to the press and none have occurred. Their approach is positive and supportive, not confrontational.

#### *Who Will Attend*

We do not know exactly whom the group will select to meet with you, but some or most of these core members will be there:

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 8, Chron January 1978. No classification marking. Sent through Read. An unknown hand initialed the memorandum on Barnes's behalf.

<sup>2</sup> No minutes of this meeting were found.

<sup>3</sup> Cones are Foreign Service career tracks that must be designated at the time the Foreign Service exam is taken. The four cones are consular, diplomatic, economic, and management.

<sup>4</sup> Held January 5–6 in Hong Kong.

<sup>5</sup> Not found.

Ken Quinn	Special Assistant to Dick Holbrooke
Alan Romberg	Policy Planning Staff
Adrienne Stefan	EUR/Soviet Affairs
Jim Shinn	Special Assistant to George Vest
Judy Kaufmann	Staff Assistant, EUR
Ann Darbyshire	Secretariat Staff

The group is not connected with AFSA (although they have expressed a readiness to work with AFSA after meeting with you). An AFSA representative—probably President Lars Hydle—has been invited to attend as an observer. Because AFSA is not fully involved, the group understands that it would not be appropriate for them to ask you to make any commitments on specific personnel policies or procedures.

#### *The Group's Concerns*

First, and most fundamentally, the group fears that the basic principles and practices of the Foreign Service—as defined and envisioned by the Congress in the Foreign Service Act of 1946<sup>6</sup>—are endangered. They point to the decision of the court in *Bradley v. Vance*<sup>7</sup> that found no meaningful difference between a Foreign Service career and domestic Civil Service employment. And they fear that Congressional or Administration proposals on personnel reorganization designed to deal with the vast Federal bureaucracy might, without intending to, do lasting damage to the Foreign Service.

Second, they believe that a variety of problems inside the Foreign Service system—promotions, assignments, selection-out<sup>8</sup>—could, if not attended to, lead to stagnation, impairing the ability of the Service to perform its mission effectively.

Although the group probably will want to review a range of such specific problems with you, they are not looking for quick fixes; they know, for example, that traditional promotion rates may never be fully restored.

They hope the meeting will result in:

—Your endorsement of the Foreign Service and its underlying principles. This may include their asking you to speak on behalf of the Service to the President or leaders of Congress if necessary and to the extent you feel able.

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<sup>6</sup> P.L. 79-724.

<sup>7</sup> *Bradley v. Vance*, 436 F.Supp. 134 (D.D.C. 1977).

<sup>8</sup> The Foreign Service Act of 1946 instituted a “selection out” process, in which Foreign Service officers who failed to be promoted within a prescribed amount of time were forced out of the Foreign Service.

—Your approval of an ongoing effort involving members of the group with the management of the Department and AFSA to address some of the specific issues in a comprehensive manner.

*Talking Points*

Since the group representatives are prepared to speak first, I suggest you let them make all their points before responding.

You may wish to make these points in response:

—You recognize and place a high value on the quality and commitment of the Foreign Service. There is no doubt of the nation's need for the institution. You are committed to do all you can to ensure that the Service is staffed and managed so that it can effectively carry out its responsibilities.

—No one should doubt, however, that we are in a period of considerable social and organizational change. The Foreign Service must expect to be affected by, and respond to, these changes. (Although they used the word "quotas" at one point in their letter as an element that troubled them, we believe their legitimate concerns are much wider.)

—You are determined to do what is necessary in both regards: to ensure that the Service does not lag behind when change is needed—and to defend the fundamental principles without which the Service cannot do its job. In this last regard you are personally involved in the effort to appeal the Bradley vs. Vance decision and have followed the deliberations at Justice closely. You are pleased to report that the lawyer assigned to the case has recommended to the Solicitor General that he file the appeal.

—It is easy to agree with principles articulated in the group's letter; in fact, hard to take issue with any. But it's another thing to find sensible steps to ameliorate the situation, and you hope they will develop more specific suggestions.

—In this regard, the Department's management has been and will continue to work with AFSA on most of the specific problems and questions underlying the general issues expressed in their letter. We regard it as essential that we continue to work with AFSA in this way. Your view and concerns on the issues you have raised are important to both AFSA and management.

—There are basic recognitions that we all share: The importance of the Foreign Service and the need to both preserve and improve it; the need to ensure that our various policy goals do not work at cross-purposes and are capable of being soundly implemented; and the indispensable requirement of greater participation and communication among all those who are committed to the Service and to solving its problems.

—The fact that such a group as this has formed and come forward is a positive sign. You value their ideas and hope they will reinforce AFSA's efforts with the Department.

### **Attachment**

#### **Letter From 93 Foreign Service Officers to Secretary of State Vance<sup>9</sup>**

Washington, December 28, 1977

Dear Mr. Secretary:

We, as Foreign Service Officers, are gravely troubled by what is happening to the Foreign Service. We support and admire your efforts to deal with the many vital and complex foreign policy challenges facing this nation, and we hesitate to impose on you with yet another problem. But we believe your personal involvement is required to forestall a serious decline in the Service as an important national institution.

Recent legal, managerial, and political decisions, taken in a setting of extensive social change, have exacerbated our own long-standing organizational problems. Many of the societal forces for change are overdue and welcome. And many of the individual decisions are admirable. But too often these decisions have been taken in isolation without regard to their cumulative, long-term impact. Together they are undermining the Service's dedication to excellence and the merit principle, so that they now threaten the ability of the Service to assist you and the President effectively in the formulation and conduct of our foreign policy.

Mr. Secretary, the Service is now seized with speculation and serious concern about the consequences of the specific policies that will be adopted with respect to such issues as: retirement, outside appointments, non-competitive entry, assignments, promotions, quotas, ceilings, position cuts. This has led to:

—declining pride and commitment, as the principles of entry and advancement by merit are progressively eroded—while officers who have not proven to be competitive or able to maintain their motivation with the years are offered ever-easier methods to remain on the rolls;

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<sup>9</sup> No classification marking.

—slackened dedication and application, owing to the perception that the Foreign Service is neither informed of, nor involved in, important decisions affecting its future;

—stagnation and reduction in incentives to superior performance, as upward movement through the system to positions of increasing responsibility has slowed drastically, resulting in fewer opportunities for substantive contribution or advancement, less recognition of achievement, and fewer financial rewards.

If these impediments to individual achievement and institutional vigor are left uncorrected, the effect could be devastating. Already too many of our best colleagues are looking for opportunities outside the Service, while more and more of those who elect to stay are seeking less demanding jobs, having seen that the relationship between extra effort and the rewards of the system appears increasingly haphazard.

In order to provide the nation with the most energetic, mobile, high-quality, professional Foreign Service possible, the Foreign Service Act called for special disciplines, recruitment and rapid promotion of the most able, selection-out based on time-in-grade or poor performance, worldwide availability and honorable early retirement.

Mr. Secretary, we ask for a renewed commitment to the principles of the Foreign Service Act, which sought to create a Service based on merit, devoted to excellence, and dedicated to the effective conduct of the foreign policy of the United States. We believe that revitalization of these precepts is the indispensable first step in restoring a sense of purpose and forward movement to our institution—and in furthering positive, long-term change.

We stand ready to work with you to help develop concrete proposals to solve the problems we have raised and to restore the Foreign Service to the condition the interests of the nation demand.

Respectfully,

Kenneth M. Quinn	James W. Shinn	Darryl N. Johnson
Alan D. Romberg	Thomas Macklin	J. Stapleton Roy
James F. Dobbins, Jr.	Stephanie Smith Kinney	David G. Brown
Ints M. Silins	Charles Hill	John P. Leonard
Kang S. Huang	J. A. Allitto	Ann Swift
Dennis Goodman	Richard E. Hecklinger	George E. Moose
Alvin P. Adams, Jr.	Arthur L. Kobler	George P. Fourier
Barbara Schrage	Charles W. Freeman, Jr.	Jane E. Becker
Adrienne Stefan	Barbara Bodine	Ann Darbyshire
Michael Sternberg	Judith R. Kaufmann	David Kenney
Carol Kay Stocker	Jane Coon	Timothy M. Carney
Wesley H. Parsons	Douglas S. Kinney	Michael J. Mercurio
Thomas J. Miller	Kenneth W. Bleakley	John D. Forbes

Alan S. Hegburg  
Paul E. Barbian  
David Blakemore

David L. Schiele  
Paul W. Hilburn

Lionel A. Rosenblatt  
Richard J. Harrington

[Omitted here are 47 additional signatures.]

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**162. Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to the Deputy Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, April 3, 1978

SUBJECT

Reluctance to Take Assignments

Reluctance on the part of Foreign Service personnel to accept the assignments offered or proposed to them has probably grown in recent years, but it is still a problem of modest and manageable dimensions if one views the Service as a whole. It is only one factor in the assignment equation and, with few exceptions, does not seriously impede the assignment process. An analysis of the various causes of the “reluctance factor” is attached.

The basic question is how much effort we need to put into the business of assigning employees to jobs that are not only appropriate (in terms of grade, qualifications, experience, etc.) but which more or less satisfy the employees’ personal and professional desires as well. There is no doubt that assignments could be made more expeditiously if we paid attention solely or primarily to the needs of the Service. But such assignments, made with little prior consultation and without taking into consideration all the relevant factors as seen by the employee, would certainly result in greater discontent, more broken assignments, expensive transfers, etc.—in other words, significant inefficiencies as a (delayed) consequence of greater efficiency in the assignment process itself.

The “open assignments” system makes the employee more fully a part of the assignments process and provides a technique for overcoming the reluctance factor. In some cases it entails significant prior consul-

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 9, Chron April 1978. No classification marking.

tation between counselors and employees. Occasionally it means that the employee, after lengthy discussions, has to be brought to realize that the available options are very limited, that his top choices are simply not available, and that he must reduce his expectations. This approach is particularly important now, given the congested conditions in the Service which most employees are aware of in general terms but which they do not understand in detail and in all their implications.

Statistics are not fully available but we believe our record for assignments kept is markedly better under "open assignments" than under previous systems. Further evidence of success is that by the end of the assignment cycle we have made very few forced placements and there are virtually no unassigned employees in the staff and officer corps up through the intermediate grades. (The senior problem is of course compounded by a surplus of officers over positions.)

Not surprisingly, reluctance tends to be a more serious problem in areas where career structure seems deficient and where promotion opportunities and new and more challenging jobs appear to be lacking. This relates specifically to certain classes of staff employees. However, as the Service profile lengthens and promotions become less frequent, the reluctance factor could come to affect officer placements more adversely. At present, officer "reluctance" is as often fed by competing opportunities or by overly solicitous supervisors as it is by unrealistic expectations on the part of officers.

In short, this problem is one of many we grapple with in making assignments but one we believe "open assignments" and other techniques keep within manageable dimensions.

## **Attachment 1**

### **Paper Prepared in the Bureau of Personnel<sup>2</sup>**

Washington, undated

#### **Reasons for Reluctance**

The reasons for the reluctance of Foreign Service employees to accept jobs are so various that it is difficult to generalize about the problem. Still, a few widely applicable observations can be made:

(1) The policy of "open assignments", now in its third year, has misled some employees to think that they have a right, if not to choose

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<sup>2</sup> No classification marking.



their jobs, at least to turn down those they don't like. PER has taken great pains to make clear that this is not the case—that "open assignments" means no more than (a) better information about available jobs than has existed in the past, and (b) a right to be heard and considered by a rationally organized personnel system.

(2) Reluctance to accept assignments appears to be a more serious problem among staff and support personnel than it is for the FSO Corps. There is an obvious reason for this. While hardship posts frequently offer significant professional compensations for FSO's—for example, a middle grade officer can be DCM at a small embassy in Africa when he could not even be section chief in a large Western European post—there is no corresponding incentive for staff personnel. Moreover, these people do not generally believe that the sacrifice involved in going through with a hardship assignment enhances their presently limited promotion prospects to any great extent. This means that for most of them the pay differential is the only attraction of a hardship post and often it is not enough.

(3) Among officers the severity of the problem varies from one cone to another, but administrative and consular officers may be a bit more inclined to resist assignments than those in the political and economic cones. Again, the lack of adequate professional compensation at hardship posts probably plays a role. So far as the consular cone is concerned, the fact that there are more jobs than officers at certain levels no doubt makes it harder to persuade individual officers that a certain hardship post or unattractive job are the only ones for them.

(4) The growing atmosphere of humanitarian concern in our society has made itself felt in the traditionally disciplined ranks of the Foreign Service. On the whole, considering the size and complexity of our Service and of the systems that have been devised to operate it, we have been remarkably successful in taking account of special needs, whether related to children's education, working spouses, health, compassionate factors, or whatever. Our very success in doing this, however, has nourished the tendency of employees to assume that their personal requirements will be honored as a matter of course.

(5) In a period of slow promotions, officers are especially sensitive to a job's potential for moving them ahead in the Service. This means different things to different people, depending on grade, cone, specialty, etc. For example, almost all officers from the middle grades on up are concerned to get supervisory experience, believing (with reason) that demonstrated ability to manage the work of others will improve their chances of reaching the highest levels of the Service. (This is particularly true in the political and economic fields, where supervisory jobs at the lower and middle levels are very few and far between.) It is not surprising, therefore, that officers are occasionally inclined, during the earlier stages of the assignment cycle, to resist jobs that seem

deficient in promotion potential while holding out, as long as there seems to be any hope, for ones that clearly have it. On the other hand, many officers appear reluctant to accept out-of-agency assignments (details or Pearson program<sup>3</sup>) which often include substantial management responsibility. It appears this attitude is due to a feeling that at a time of slow promotions it is dangerous to be out of the mainstream of Foreign Service assignments.

(6) PER and the employee who is up for transfer are often not the only players in the assignments game. Quite often employees get strong support, from their post overseas or the bureaus in the Department that are interested in them, for their own notion of what their onward assignment should be; this support occasionally encourages them to resist the more modest—or at least different—plans which PER has in mind for them.

## Attachment 2

### Paper Prepared in the Bureau of Personnel<sup>4</sup>

Washington, undated

#### Discussion by Category

##### *Staff and Support Personnel*

An increasing number of secretaries and of communications personnel are objecting to their onward assignments and fewer than in the past are volunteering for hardship posts. The C&R panel tries to take account of personal preferences, but it has had to resort fairly often to forced placements in order to meet Service needs. These usually end up working out one way or another but the struggle is inefficient and time-consuming. The secretarial panel, on the other hand, has made forced placements only very rarely, preferring to accommodate and adjust wherever possible.

One of the difficulties with C&R assignments is that there are only about 150 supervisory positions in the C&R field overseas but approximately 200 senior communicators (R/RU-6, S-4 and above). Often these people have to be assigned to positions lower than their personal grade. Junior communicators, too, are unhappy over the

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<sup>3</sup> The Pearson program was the Department of State's domestic assignment program that aimed to broaden a Foreign Service officer's skills by temporarily assigning him/her to work for a member of Congress or a congressional committee.

<sup>4</sup> No classification marking.

dearth of supervisory opportunities for which they feel they are qualified and which they think would help them to advance in rank.

Secretaries also balk occasionally over the grade of the job they are assigned to. However, the reasons for their reluctance to take jobs are so various that one hesitates to generalize.

### *Junior Officers*

Junior Officers present little difficulty, in part because there are more jobs than people and in part because first-tour officers are not permitted to negotiate for their assignments (although they may express preferences). The results have been good in recent years; while these assignments are certainly directed, there have been virtually no instances in which it would be appropriate to call them forced placements.

### *Middle Grade Officers*

In the political and economic cones, there have been almost no assignments in recent years that could properly be called forced placements. During every assignment cycle there is a period during which fairly large numbers of officers are reluctant to accept certain jobs until they are satisfied that the more attractive ones they have put at the top of their preference lists are beyond their reach. So long as it does not take too long or become too unwieldy, this scaling-down of expectations is a good thing; it means that our officers accept jobs which are less than their top choice with a better will and with more understanding than if they had been assigned arbitrarily at an earlier stage.

It is quite clear, all the same, that some areas of the Department suffer from persistent and deeply ingrained unpopularity with FSO's. This is especially true of the functional bureaus (with the exception of PM) and, in particular, of INR and CU. Indeed it has not been uncommon for some positions in INR to go unfilled for fairly long periods of time.

Variations in the popularity of the different regions of the world constitute much less of a problem for political and economic officers. It is true that a large majority of officers yearn for Europe at one time or another; but we seem to have enough enthusiasts for all parts of the world so that political and economic positions rarely go begging for candidates.

There may be a growing problem with labor-political positions overseas. FSO's, including officers with labor as a primary or secondary functional skill, are more inclined than they used to be to view the labor specialty with skepticism, believing that it almost guarantees a slow rate of advancement in the Service.

The problem of reluctance exists in the consular area but is limited in scope. The reluctance of employees to go to a post with a bad

reputation is quite often mitigated by the career opportunities such posts offer. Sometimes officers are able at these posts to go into positions higher than their personal rank.

Occasionally there are management and supervisory responsibilities that would not be found at a more attractive post. This has meant that there have been few forced placements of consular officers: three in 1976 and none in 1977.

One problem which may be peculiar to the consular cone is a modest shortage of officers, at certain levels, in relation to the positions that have to be filled: it is a "deficit" cone. This gap is met in part by excursion tours of officers from other cones. It does tend, however, to persuade officers who are members of the deficit cone that they should not or need not let themselves be forced in the direction of a single unattractive option. Obviously, where several offices or posts are bidding for the services of a single officer that officer is in a better position to bargain for the assignment he views as most desirable.

Counselors for the administrative cone in PER/FCA regard the problem of reluctance to take assignments as a serious one. They have not had to make many forced placements, but there is a great deal of reluctance on the part of their officers to go to undesirable posts and officers often have to be led and cajoled into accepting them.

### *Senior Officers*

Seniors require rather delicate handling. They derive a certain amount of (real or imagined) leverage from their experience and maturity as well as from the fact that the Department regards them (by definition) as people who have excelled. Since there is a shortage of appropriate funded positions in relation to the numbers of senior officers available, their assignments often call for a reduction of inflated hopes and expectations. Some of them have to be persuaded to go into positions which, even though graded at senior levels, have in the past been regarded as more appropriate for grade 3 officers. For example, it is often close to impossible to find a senior officer willing to accept assignment to O-2 political or economic counselor positions. Another complication results from the fact that a fair number of senior positions are still held by middle grade officers—usually FSO-3's; a senior officer cannot properly be assigned to a position, even though it may be graded at the senior level, which would make him subordinate to an officer of lower rank.

The senior assignments office in PER estimates that 15 to 20 percent of senior officers have rejected specific assignments during recent years and that a larger group, perhaps as much as 25 percent, have been "deft enough to decline assignment proposals without a negative word". The senior officers who demonstrate reluctance to accept assignments

tend to fall into the middle group in each class—not the stellar performers and not those rated in the lower deciles by the selection boards. A significant factor in this attitude is the expectation of successive transfers to positions of increasing responsibility as measured by the classification attached with specific positions. In general, senior officers find it difficult to accept that after twenty years or so of advancement through positions of ascending responsibility they are faced with the prospect of moving laterally to assignments which offer no more psychic gratification than the jobs they have already done—and carried out to the fulsome praise of their past supervisors.

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**163. Information Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to the Deputy Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, June 7, 1978

SUBJECT

Proposed Modification of the FSO Oral Examination

As you know, there has been considerable discussion in recent years about the appropriateness of the present FSO selection system. It has been contended, especially during the last few years when the FSO intake has been relatively small (less than 200 yearly) that a process which examines from 12,000 to 15,000 persons and selects only a few hundred is not well balanced and should be changed, especially when there are signs that those chosen may be overqualified for the type of work to be initially performed and when women and minorities seem to have less than full opportunities in this process for appointment.

We have looked closely at the process and not surprisingly have concluded that both its major components—the written examination and the oral examination—have areas that need improvement. Both are designed to fit the concept of selecting the generalist/specialist, that is a Foreign Service Officer who has the qualifications required for career entry and advancement in the Foreign Service but also has sufficient background in one or more of the functional areas, so that in the examining process his strengths and interests could be identified

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 1, Chron June 7–9, 1978. No classification marking.

with one of these fields. In this way, the overall selection process has been expected to maintain a balanced intake of officers in line with the Department's needs. On the written examination side, since 1975 the Educational Testing Service (ETS), through a job analysis and with input of Foreign Service Officers in each functional field, has reviewed the knowledge and skill requirements for this generalist/specialist concept and formulated the composite test specifications by which each written examination has been prepared and utilized. This process is being repeated this year to make sure the written examination is as accurate as possible in screening our applicants.

On the oral exam side there has been the formulation each year of a store of job-related questions in each functional area plus those for the Cultural and Americana areas by which three-member examining panels differentiate candidates in terms of a set of defined characteristics. These characteristics, called job elements, are derived through research conducted by ETS and are those judged to be essential to effective performance. The job elements are defined as knowledge, skills, abilities and personal characteristics and the premise is that those candidates who possess the characteristics will be more effective as an FSO than those who do not possess them. Thus each candidate is measured or assessed for these characteristics and a score is given to indicate the degree to which the candidate demonstrates them.

The theoretical concept of this process is professionally sound and well accepted but the key issue, of course, is the extent to which the examination operation can implement fully the concept. For example, the in-basket test<sup>2</sup> was included in the State process for the first time this year (ICA has used this test since 1974) because certain skills judged as highly important were being measured only indirectly or not at all. Notably, the test has since been judged to be highly useful. Given the time constraints in the form of an April deadline for renewing a contract option with ETS this year, we decided against major changes in the written examination. There is, however, time leeway with regard to the oral and we have pressed the question "Is the present one hour examination interview a valid predictor of performance of Foreign Service Officers?"

The answer given by professional psychologists and in-house personnel generally is "yes-but". Specific criticisms of the present oral include: that too much of the selection decision rests upon a one hour oral examination; that not enough time is given to the personal inter-

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<sup>2</sup> The "in-basket test" was a portion of the oral examination for Foreign Service officers. Candidates were given an "in-basket" that contained an assortment of items typically handled at post. The candidate had to prioritize the order in which the items would be addressed.

view during this hour; and that the validity of hypothetical questions designed to test interpersonal and operational skills is dependent upon having a common criteria for evaluating the responses and on the questions being administered in a standard format and that if these conditions do not obtain, the results are skewed. We also noted that the oral examination has not been a constant entity from year to year, with the examination precepts having been considerably modified and improved from those of three years ago. Last March we asked ETS to formulate proposals which would improve the oral examination process and ETS has done so in a way that looks promising, effective and realistic.

The proposed oral evaluation process uses what is called an assessment center type format that incorporates a self-inventory exercise, a one-on-one interview, and a leaderless group discussion exercise and a prepared presentation for each candidate. This will subject the candidate to the observations of Deputy Examiners or assessors for a total of about 3½ hours. The process which lasts the whole day is one of overall evaluation based on the current job analysis of Foreign Service work and knowledges, skills, abilities and personal characteristics judged to be important in the performance of that work. The format meshes closely with the in-basket test and would involve evaluation of a candidate's qualifications based on his performance in the group exercise and individual interview. No selection decision will be made until all data are in, which because the scoring of the in-basket is by ETS, would take a maximum of two weeks. The proposal calls for 3 examiners assessing 6 candidates every other day with 3 or 4 groups being conducted simultaneously in Washington and one group every other day for travelling panels in other cities.

After studying the proposed format we consulted with Civil Service Commission experts as well as officials at other U.S. Government agencies that utilize the assessment center format, specifically the Department of Interior and the Federal Aviation Administration, the latter being the largest user of the assessment center format in the U.S. Government. Uniformly we have been told that their experience with this format has been entirely favorable and successful. Not only does it provide a better measurement of candidates but research indicates no adverse impact on women and minorities. Use of the assessment center techniques has also been sustained in several court cases. At the same time it is clear that none of these organizations has used this format for entry level selection and on the scale we envisage for about 1,500 candidates. Virtually all these organizations use the format for selection of manager or executive level personnel and in this sense we would be plowing virgin ground. In reviewing the various factors and aspects involved, we believe the following are the advantages to be gained:



1. Clearly we will be able to assess candidates better, because more information on the individual will be available and the candidate will be observed in more situations. More of the key characteristics will be measured directly, for example in the interview, the prepared presentation and the group or negotiation exercise.

2. We estimate that the number of candidates to be assessed in a given time period with the same number of examiners will be roughly equivalent or possibly slightly higher than at present.

3. More information will be available to those responsible for the placement function. The personal inventory / checklist will be a particularly useful aid in determining patterns for the various functional fields.

4. In general, there have been no challenges of adverse impact in relation to assessment programs. Women and minorities appear to do as well as others. (This was mentioned by both the Department of Interior and FAA officials.)

5. From past research and experience, this format is probably more acceptable to candidates because they feel they are given more opportunities to show their qualifications.

6. An interview focussed on the in-basket problems will give the candidate and the interviewer the advantage of a "real" setting on which to base their discussion. The stock of situations now presented in the oral panel, which sometimes may become known to other candidates by word of mouth, will not be a problem. (Various experts discount the possibility of "coaching" affecting the validity of this type of assessment format.)

Against this list of advantages, we see two disadvantages, namely that (a) whereas each candidate at present is informed immediately after the oral examining panel finishes its deliberations as to whether the decision is favorable or unfavorable, the candidates must wait for two weeks under the proposed format and (b) related to the foregoing, the administration and processing of applications will be considerably more complex and detailed.

As for resources needed to implement the proposed format, we estimate that a staff of 8 permanent Deputy Examiners (as proposed in the REE reorganization) would be needed plus about 15 TDY examiners for the new format as opposed to 10 permanent Examiners and up to 14 TDY examiners for the present procedure.

However, all quarters have underscored that centralized and thorough training of assessors is critical for successful operation with this format. Personnel staffing will be considerably more difficult, since at present examiners can be drawn on short notice from a large pool of former BEX examiners and from the line bureaus for a few hours. The proposed format will require a pool of perhaps 18 persons who could



act as ad hoc examiners to supplement the regular and TDY examiners. In financial resources, a fee of \$23,000 would need be paid ETS for instituting this process. This would include designing the test, producing test materials, training the examiners and subsequent monitoring. Rental costs for travelling panel facilities under the proposed format would probably run about \$25,000 more than the present program since the proposed format has more exercises and we would need more rooms than we presently do. However, we need to examine the schedule and test procedures more closely to see if we can reduce this; I am also hopeful that by earlier and firmer approaches to GSA we can get U.S. Government facilities at all rather than most of the cities as at present.

In further explanation, there is attached the ETS proposal for this program and a matrix which shows where each desired characteristic is measured in the selection process.<sup>3</sup>

I note that the International Communication Agency has indicated its willingness to join with State if the proposed format is adopted.

In sum, while a number of aspects in the proposed format are new and while there undoubtedly will be an initial period of adjustment and experimentation, we believe the proposed modification will provide for a more effective, accurate, and defensible selection process.

Through the release of funds previously deferred for the restructuring of the FSO examination, we are able to fully fund this modification.

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<sup>3</sup> Attached but not printed.

**164. Memorandum From the Director of the Office of UN Political Affairs (Bridges) to the Under Secretary of State for Management (Read) and the Director General of the Foreign Service and Director of Personnel (Barnes)<sup>1</sup>**

Washington, January 24, 1979

SUBJECT

Proposed Personnel System Changes

I venture to offer you the following reactions to the proposed changes in the Foreign Service personnel system.<sup>2</sup>

As a one-time worker in Personnel, I can appreciate how much work has gone into the proposals. But I am very sorry that no attempt was made, in circulating the proposals on January 4<sup>3</sup> to Assistant Secretaries, Executive Directors, and Office Heads, to explain *why* management thinks these changes desirable, other than a brief chart. It seems to me that any comprehensive set of proposals like this should be closely accompanied by the rationale for them. I have heard it said that the overall management rationale for making so many changes is that if we do not make them, others will. But I cannot conceive of outsiders succeeding in any such attempt in opposition to the Board of the Foreign Service and the Department's management.

There are, of course, good reasons for us to make some changes. I see three main reasons:

(A) We need to correct the mistake made over a decade ago when it was decided to work toward abolition of the Civil Service personnel system in the Department. The FAS system which resulted was attractive to individuals, because it offered them more attractive retirement provisions and, for many, a pay raise on conversion. But the changes in no way improved our personnel system, and they distorted the concepts of the Service laid down in the Act of 1946.

(B) We need to provide a simpler and more rational system for our specialist, secretarial and communications employees. We need to combine into one their separate Reserve and Staff pay scales. We need to provide them better opportunities for upward and lateral mobility.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 6, Chron January 21-25, 1979. No classification marking. Copies were sent to Maynes (IO) and Bacchus (M/DGP).

<sup>2</sup> The proposals were not found.

<sup>3</sup> Not found.

And we need to reconsider the unwise extension of the Foreign Service promotion system to all specialist categories.

(C) Most importantly—from the point of view of our national interest—we need to put our core group of diplomatic and consular officers on a sounder footing. There are several reasons for loss of Service pride, but one main reason is that *the corps of Foreign Service officers has lost its sense of identity*. And some of the reasons for this loss are the following: (1) too many specialized officers and their positions were converted years ago to FSO; (2) too many barriers were erected within the corps by the cone system and false demands for specialization; (3) natural inclusion in the Foreign Service of officers of AID, USIA, and ACTION at the same time that those agencies' management split off from ours, has made it even more difficult for diplomatic and consular officers to define their own career; (4) diplomatic appointments in the United States remain more politicized than in any other major country, hurting both our pride and our development; and (5) the Executive Orders which enabled the unionization of the Service<sup>4</sup> have prevented senior officers of the Service from playing any part in the management of their own professional organization. (It is difficult to realize that a quarter-century ago Chip Bohlen<sup>5</sup> could be at once a Career Minister, Counselor of the Department, and President of AFSA.) What profession can stay healthy and happy when it is deliberately crippled like that?

I fear that some of the new proposals would only cripple the Service further—certainly not heal it. The proposal for a single new pay scale would only damage further the spirit of our central officer corps, while it does too little to meet the need I have outlined under (B) above for a better system for our specialists, secretaries and communicators. The conversion of six present officer grades (class 3–8) into nine would only increase the amount of trauma in rank-in-person officers who, unlike Civil Service colleagues, await each annual list with great trepidation. There is good reason to argue that the Service was better off before the then six numbered grades were increased to eight in 1956. We do not need so many gradations; the Canadians do nicely with just three.

But the most serious mistakes, I believe, are found in the proposals relating to the senior threshold and a "Senior Foreign Service". I fully sympathize with the need for a more rigorous threshold process for entrance into senior ranks; it is critically important to have a better

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<sup>4</sup> Reference to E.O. 11491 (see footnote 5, Document 153) and E.O. 11636, "Employee-Management Relations in the Foreign Service of the United States," signed on December 17, 1971.

<sup>5</sup> Reference to Charles Bohlen, a U.S. diplomat from 1929 until 1969.

way to get rid of dead wood in the senior ranks. But one must be leery about a proposed new system which seems mainly an attempt to emulate the new Senior Executive Service in the Civil Service system.

Although this new senior service proposal is intended to ensure that only the best make it to senior ranks, it appears that the intention is to continue the traditional system of promotion on the basis of selection board action on the basis of performance files. Yet one of the basic reasons for lack of a good senior threshold is that an officer's file tends to become increasingly laudatory as he or she rises in rank. The main need then is for a better way to evaluate upper middle-grade officers. I would not in any way suggest doing away with traditional efficiency reports, but I would urge a careful look at the possibility of building into the senior threshold system the kind of assessment techniques which are now being used for the first time to assess candidates for entrance into the Service.

I would also question the need for new legislation aimed at getting rid of unneeded officers when at this point management remains unwilling to rescind the extremely unwise lengthening of senior time-in-grade maximums put into effect under Larry Eagleburger in 1976.

As regards the suggestion that creation of a Senior Foreign Service would facilitate exchanges of our senior officers with other agencies, I can only say that I doubt it. Only a strong, central assignment authority—which was not created by Congress in legislating the Senior Executive Service, and which is not contemplated anywhere in the proposals at hand—could produce the kind of interagency swapping of officers that has been so often talked about. Such exchanges require close attention by management-level officials in this Department in order to succeed; our experiences in past years with Commerce, Defense, Treasury, NSC, and USIA demonstrate that formal agreements for interagency exchange of officers may come to little without proper high-level attention.

Among other proposals which concern me I would particularly mention the proposal to end the existing statutory ban on more than eight years' consecutive service in the U.S. for Foreign Service personnel. My impression is that it is becoming increasingly difficult to maintain the Service discipline which is required to ensure that officers do not spin out Washington tours indefinitely. This is because more and more wives are going to work in Washington, and because conditions of service overseas are often not what they used to be. In this situation I think that it is important to maintain the eight-year rule—not abolish it—even though exceptions will, of course, continue to be made.

I do not mean to suggest in the above that there is no good in the proposals. I strongly support some of their aims, particularly simplification, rationalization, improvement of performance, and cutting away

dead wood. But all in all the proposals strike me as more a mechanistic than a humane set, and they do not supply a good answer to our problems as I see them, outlined under (A) to (C) above.

One final point. Our Service is not as well organized and not as good as it might be. The Murphy Commission<sup>6</sup> made this point in exhaustive fashion, and OMB and others do not tire of calls for improvement. But those who make a profession of criticizing us too often ignore the fact that we have the best civilian service in our Government, and one of the best in the world. Service reform should not mean discarding the good we possess, but preserving and building on it.

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<sup>6</sup> See footnote 3, Document 135. For a summary of all the Commission's recommendations, see *Foreign Relations*, 1969–1976, vol. XXXVIII, Part 2, Organization and Management of Foreign Policy; Public Diplomacy, 1973–1976, Document 147.

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## **165. Memorandum From the Under Secretary of State for Management (Read) to Secretary of State Vance<sup>1</sup>**

Washington, April 20, 1979

### **SUBJECT**

Proposed Foreign Service Act of 1979

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We are now entering the final stages of preparation of and consultation on the Foreign Service restructuring proposals, which you set in motion last November. I am glad that Harry Barnes, accompanied by Jim Michel, will have a chance this afternoon to brief you, Chris, David and Peter<sup>2</sup> on the status of our efforts, including the areas of broad support and continuing controversy, and to discuss necessary next steps.<sup>3</sup>

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 11, Chron April 18–23, 1979. No classification marking. Printed from a copy that indicates Read signed the original. Copies were sent to Christopher, Newsom, Tarnoff, and Barnes.

<sup>2</sup> Reference to Christopher, Newsom, and Tarnoff.

<sup>3</sup> No minutes of this meeting were found.

*The Bill*

A first full draft legislative bill (185 pages) was completed by Jim Michel earlier this week with side-by-side comparisons with existing law, and I am attaching a brief summary of the main features as well as the draft bill itself.<sup>4</sup>

*Consultations*

Consultations have been going on for five months with AFSA and earlier summary proposals have been circulated and discussed widely in the Department, with all posts, AID, ICA, OPM, and OMB, as well as with key Congressional leadership (Pell and Fascell and their Committee staffs). A log of internal consultations is attached.<sup>5</sup> The full draft bill and 1946 Act comparisons have been given to all Executive Branch parties and will be sent to all posts for further informal feedback. I believe that we must also provide these drafts to Pell and Fascell and their staffs next week on an informal basis for additional feedback, making clear that they do not yet represent approved Departmental or Administration positions. This action is necessary not only to fulfill our earlier commitments on the Hill, but also to give them a chance to balance the proposals against those of the opposition who have been lobbying actively for the past several weeks against the bill.

*Areas of Support*

There is wide Service support for a number of major elements of the plan: e.g., the need for reaffirmation by Congress in the current period of the separate and essential role of the Foreign Service; formal recognition of our dual Foreign Service-Civil Service personnel systems with legislative conversion to GS status of the growing number of Foreign Service personnel who are not obligated to serve worldwide; a single Foreign Service pay scale; reinstitution of effective "up or out"<sup>6</sup> procedures; expansion of selection out for substandard performance to include the entire Service; and provision of a statutory base for labor-management relations.

*Areas of Controversy*

In preparing this draft bill, we have made significant changes in response to suggestions and criticisms received, but a few areas of controversy remain: performance pay; aspects of the Senior Foreign Service and threshold and use of limited, renewable appointments; and certain transition problems which we are working to resolve.

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<sup>4</sup> Not found attached.

<sup>5</sup> Not found attached.

<sup>6</sup> "Up or out" refers to the selection-out process. See footnote 8, Document 161.

Unfortunately, much of AFSA's initial and continuing private support for restructuring has been submerged in the election campaign for new officers which culminates in July. Various leading candidates are urging piecemeal amendment approaches for fear of unwanted Congressional action on existing Foreign Service special benefits, and they have been lobbying for this approach on the Hill, even though many of their principal concerns have now been met.

*Next Steps*

I think it would be useful this afternoon if you could discuss and agree on a tentative schedule of next steps. To comply with Hill advice on timing, I believe we must complete intradepartmental actions on the bill by mid-May. Initial OMB and OPM views support the principal features of the proposals and they are prepared to give expedited (two weeks) handling of the interagency clearance process. This would permit us to submit an Administration approved bill for Hill consideration by the end of May.

Early hearings and final Congressional action this year, which are necessary in order to avoid the highly uncertain prospects for consideration in an election year, depend on adhering to a schedule close to that outlined above.

P.S. Dictated by phone—no gamma globulin shots required.<sup>7</sup>

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<sup>7</sup> Read was recovering from hepatitis.

**166. Memorandum From the Director of the Foreign Service Institute (Springsteen) to the Acting Under Secretary of State for Management (Conlin), the Director General of the Foreign Service and Director of Personnel (Barnes), and the Deputy Legal Adviser (Michel)<sup>1</sup>**

Washington, April 26, 1979

SUBJECT

Chapter VII of Draft Foreign Service Legislation

Today, FSI represents an approximately \$20 million training effort annually, with about 40% of the student body from other agencies. Its legislative mandate<sup>2</sup> is to provide training and instruction in foreign affairs to those in the Government for whom such training and instruction is necessary.

A major defect of the proposed legislation is that it ignores and undermines FSI's inter-agency training role to the point that, in practice, that role would be almost completely eroded. The practical effect of the new legislation would be to encourage other agencies to develop their own training programs or find substitutes elsewhere. This, in turn, would sharply restrict FSI's resource base, 40% of which comes from outside agencies. Thus both the range and timeliness of FSI's training programs would be severely limited. With diminished numbers and frequency of course offerings, opportunities to provide the right training to the right officers at the right time would be disproportionately diminished.

Furthermore, the new legislation would undercut efforts to strengthen the Secretary's leadership role in the foreign affairs community, a role that other sections of the draft legislation endeavor to strengthen.

There is a fundamental incompatibility between an Institute with a significant inter-agency training role and legislation that relegates it to the role of a training division within the Foreign Service personnel system, and whose principal purpose is "to promote career development within the Service." The title of the Chapter itself is interesting: "Career Development, Training, and Orientation"; there is no mention of an institution. Further, career development is generally a personnel matter of which training is only one of many ingredients. Moreover,

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 8, Chron April 24-30, 1979. No classification marking.

<sup>2</sup> Reference to the Foreign Service Act of 1946 (P.L. 79-724).



this weakened training branch would not be *mandated* by law (as at present) but would exist at the discretion of the Secretary.

The new legislation makes no mention of a Director for the Institute nor does it mandate leadership duties to such an official. The inference is clear: training is to be a subordinate aspect of the Department of State's personnel work, and of such little import it can be handled at a low level.

The new legislation further underscores this new position of training by denying to the new Institute those basic authorizations contained in Section 704 of the current legislation permitting FSI to hire without regard to civil service laws and regulations. This means all our employees in the future must comply with such procedures. This would, for example, make the hire of language instructors virtually impossible on the urgent and as-needed basis that unforeseeable fluctuations in training requirements demand.

More generally, FSI's position outside of but linked to the personnel system has been an essential element in the development of all of our recent innovations. The development of the 26-week economic course, ConGen Rosslyn and the new administrative training modules, for example, was possible because FSI could deal with authority with functional and regional bureaus. That situation would not exist if FSI is placed in a low level position under the operational control of PER.

The authorities of the current legislation relating to language designated positions (Section 578), and the policy of the Congress that COMs *and* FSOs have language and area knowledge of the area where they are to serve (Section 500), have been omitted. They provide the statutory base for much of our language and area programs.

Moreover, the demotion of training as an important function of the Department (and by inference of the entire foreign affairs community) is indicated by the inclusion of clearly non-training points in the new Section 704 on career counseling. Section (a) of that Section more properly belongs after the new Section 632 while (b) should follow the new Section 333.

Some of the foregoing defects (like the omission of Section 578) and others (like deletion of authority to accept gifts) can be readily rectified without fundamentally changing the thrust of the new legislation. Others cannot. If FSI's identity and mandate to provide inter-agency training remains downgraded, as in the present draft, other agencies will turn elsewhere and FSI's decline will become self-feeding and irreversible. Negative service attitudes toward training will be strengthened, thus furthering the erosion.

At a time when the need for training is becoming more rather than less apparent (current emphasis on language facility and on political

reporting), this return to a post-Rogers Act<sup>3</sup> (1929–1945) attitude toward training is difficult to understand. It is not conducive to strong Department leadership generally in the foreign affairs community and specifically in the training area. It is the antithesis of the deliberate effort of the authors of the 1946 Act regarding the Institute; they sought a “program of continuous training . . . directed by a strong central authority.”

Therefore, we propose to return to basics and at TAB A<sup>4</sup> present a revised text based on the 1946 Act for use in the new legislation. We have built a strong inter-agency foundation under the F.S. Act, and now is the opportunity to go forward with new authority for the Secretary and a strengthened, not weakened, FSI.

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<sup>3</sup> The Foreign Service Act of 1924 (Ch. 182, 43 Stat. 140 (May 24, 1924)), known as the Rogers Act, established a professional Foreign Service, which necessitated an examination for entry, provided salaries, established a training program, and provided retirement benefits.

<sup>4</sup> Attached but not printed.

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#### **167. Letter From the Chairman of the Board of the Foreign Service (Newsom) to Secretary of State Vance<sup>1</sup>**

Washington, undated

Dear Mr. Secretary:

The Board of the Foreign Service has held a series of meetings on the proposed Foreign Service restructuring. In the course of several sessions, we have discussed the matter with Management, ICA, and AID, as well as the employee organizations, AFGE and AFSA.

In my capacity as Chairman of the Board, I am sending to Under Secretary Read the results of the Board's deliberations on the restructuring plan based on our understanding of these proposals as of April 19. I attach a copy for your perusal.<sup>2</sup>

In general, the Board has agreed that it is desirable to make some major changes in the current Foreign Service structure. The Board

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 8, Chron May 1–7, 1979. No classification marking.

<sup>2</sup> Not found attached.

endorses the proposal to move to a unified pay scale, the principle that Foreign Service personnel should be subject to overseas duty and the establishment of a rigorous senior threshold process. The Board has serious reservations about performance pay, the period of time allowed for officers to cross the threshold into the senior ranks of the Service and the automatic adoption of a system of three-year renewable contracts for all personnel who have reached the top of their career ladders.

The Board advises that any request for legislation should be held until the results of the current pay comparability study<sup>3</sup> are received. Furthermore, the Board recommends that the timing of the submission of legislation should be designed to ensure that the bill will receive maximum support from the Service. The Board also urges that thorough advance consultation be undertaken to ensure that the climate in the Congress will be favorable to such a major reorganization of the Foreign Service.

The Board, in its deliberations, has also considered what its future role should be. There is no other forum in which all of the agencies using or represented by the Foreign Service now meet. The suggestion has been made that new legislation should once again put the Board on a statutory basis. We believe that the Board's effectiveness as an advisor to you on Foreign Service matters could be enhanced if this were done. I am enclosing draft statutory language<sup>4</sup> which will provide a legislative basis for the Board while ensuring that its composition and functions (to be elaborated by Executive Order) will be kept under the control of the President and yourself.

Depending on your own views, we would see the role of the Board in a restructure plan as follows:

1. To serve as an advisory body to you and the Directors of ICA and AID, or its successor agency, with respect to policies governing the administration and personnel management of the Service, including hiring, assignment, rating, promotion, selection-out and retirement policies and procedures; (Note: AID does not currently come under the jurisdiction of the Board with respect to matters pertaining to the labor/management relations system. While the Board is unanimous in recommending that AID be subject to the Board's jurisdiction in all matters falling under the Board's authority, this is a question which would have to be reviewed by the director of any successor agency to AID.)

2. To review the implementation of Foreign Service responsibilities toward user agencies;

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<sup>3</sup> Not found.

<sup>4</sup> Not found attached.

3. To ensure that the personnel policies of the Department of State, ICA and AID are as compatible as possible;

4. To ensure that in considering personnel policies for the Foreign Service the impact of such policies on the Civil Service elements of the Foreign Affairs agencies, and developments and trends in personnel policies in the Civil Service are adequately taken into account;

5. To provide a forum for a review of problems common to the Foreign Affairs agencies;

6. To oversee the functioning of the labor/management relations structure, including disputes, unfair labor practice complaints, consultability issues, and elections for representation rights;

A full list of the current membership of the Board is enclosed.<sup>5</sup>

We will welcome your comments on how the Board can most effectively serve you and participate in the strengthening of the Foreign Service.

Sincerely,

**David D. Newsom**

*Chairman*

*Board of the Foreign Service*

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<sup>5</sup> Not found attached.

**168. Letter From the President of the Association of American Foreign Service Women (Dorman) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, May 9, 1979

Dear Mr. Read:<sup>2</sup>

Enclosed are the comments which the Association of American Foreign Service Women wishes to make on the proposed Foreign Service Act of 1979. As you will note, we have examined the proposed legislation with the concerns of Foreign Service spouses and families in mind.

We greatly appreciate the opportunity to comment and to contribute to the shaping of this legislation. If there are any questions concerning the views and suggestions in the attached analysis, we will be happy to answer them.

Sincerely,

**Lesley Dorman**  
*President*

**Enclosure**

**Paper Prepared by the Association of American Foreign Service Women<sup>3</sup>**

Washington, undated

*COMMENTS ON THE PROPOSED FOREIGN SERVICE  
ACT OF 1979*

The Association of American Foreign Service Women appreciates having the opportunity to comment on the proposed draft legislation of 1979. We agree that management should try to develop an informed and supportive consensus in the Foreign Service community before

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 8, Chron May 8–11, 1979. No classification marking. Typed at the top of the page is this note: “5/9—sent to M/DGP-Barnes for action, prep. of recommendation for M and (?) reply directly on behalf of M. Copies sent to L-Michel, PER/EM-Hull and Mr. Read.”

<sup>2</sup> Dorman crossed out “Mr. Read” and wrote “Ben” above it.

<sup>3</sup> No classification marking.

taking this bill to the Hill. A thorough review of the principles behind the legislation and a careful explanation of the implementation of structural reforms would be most reassuring.

Foreign Service families can testify to the uniqueness of a life in the Foreign Service. Government service abroad is vastly different from service in the United States. Indeed, the *Forum Report on the Concerns of Foreign Service Spouses and Families* (1977)<sup>4</sup> and the continuing dialogue between AAFSW and the Secretary of State bring to light the many human costs that frequently do not appear in a cost-benefit analysis or zero-based budget. We feel that the introduction to a new Foreign Service Act should describe fully these unique sacrifices and adjustments required of Foreign Service families so as to make clear the justification for the Secretary's authority to assist families in special ways.

Most Foreign Service spouses are women. The Department cannot afford to ignore them because they are the basis of an effective, humanistic representation of American life while abroad. The Foreign Service wife takes an extraordinary interest in the career of her husband, because it affects her so directly. She feels that by accompanying her spouse abroad she is in effect serving as a representative of the United States Government. Regulations circumscribe her daily life.

Her growing concern is that continual international mobility combined with structural barriers to employment opportunities will virtually exclude her from establishing an economic base of her own through a career or even a consistent work record. Cultural adjustments, family responsibilities, and representational activities consume her time and energies. While her role as a support for family and community is essential, particularly in those areas where support systems normal to U.S. life do not exist, her economic dependency is concurrently reinforced. It takes tremendous creativity, initiative, adaptability and courage (sometimes even the willingness to endure family separation) for her to continue her education or to undertake economic independence.

The Foreign Service spouse is not adequately protected by the current or proposed Foreign Service Retirement System. The "traditional" Foreign Service wife finds that the very skills valued in a Foreign Service context are useless in a situation in which she has to support herself economically. A divorced U.S. homemaker is rarely awarded alimony by the courts; child support is awarded in less than half the cases, and a woman may even lose custody of her children if she cannot provide an equal economic base. A widowed spouse is dependent on

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<sup>4</sup> Not found.

her husband to provide her with a survivor benefit. The penalties levied on divorced or widowed older homemakers are apparent to us all. The modern Foreign Service wife is beginning to question whether indeed she can afford to continue being a “Dependent”.

The AAFSW feels that independent women are representative of the best in American society. The alternative to independence is, in the long run, more costly and wasteful of human resources. We have sought creative responses from the system to match the creativity of the women who are trying to make that system work. For these reasons we have surveyed the needs of Foreign Service families. We have made recommendations to the Department in order to expand employment and career development opportunities to enable women to establish their own economic base. We have encouraged the expansion of training opportunities, because we feel that the prepared person is the self-reliant person who can more quickly and effectively become a contributing member of the community. We have supported programs to improve community action especially as such action benefits children. We have tried to help the Department understand how the regulations of the personnel system, family life and morale are inextricably interwoven. We are continuing to study the legal rights and limitations on women in the Foreign Service context.

Foreign Service wives in midlife today have already sacrificed the earning potential of their most productive years in cultural adjustments, family support responsibilities and in the creation of a favorable social ambiance for the conduct of American foreign policy. In order to protect these women the Foreign Affairs agencies must recognize earned rights for spouses and former spouses to survivor annuities and shared pensions. The talents of our remarkable group of women can only be utilized in a more flexible system which eliminates the barriers to the workplace. We wish also to protect the homemaker as a vital community resource, while recognizing that she should be able to move in and out of that role in different stages in life without economic penalty.

In the context of the above philosophy we would like to comment specifically on those sections of the proposed Act which we feel directly affect spouses and families.

[Omitted here are the section-by-section recommendations the AAFSW made regarding the draft Foreign Service Act of 1979.]

**169. Memorandum From the Under Secretary of State for Management (Read) and the Director General of the Foreign Service and Director of Personnel (Barnes) to Secretary of State Vance<sup>1</sup>**

Washington, May 16, 1979

SUBJECT

Areas of Consensus and Contention with Pros and Cons

*A. Areas of Consensus*

Since last November, consultations and discussions have been taking place in the Department, with the field, with other agencies immediately concerned, and with the Hill on the Foreign Service structure proposals. These have led to numerous adjustments, improvements and clarifications, but the major elements have not changed significantly since your meeting with us on April 20.<sup>2</sup>

Despite widespread initial skepticism and concern, there now appears to be broad support for many of the most essential features of the proposed new legislation, including:

(1) securing Congressional reaffirmation in a comprehensive mandate of the separate and essential mission of the Foreign Service in the period ahead;

(2) formal recognition of our dual Foreign Service-Civil Service personnel systems, with limitation of Foreign Service status to those obligated to worldwide service and conversion to Civil Service status for others;

(3) adoption of a single Foreign Service pay scale;

(4) not splitting any class;

(5) expansion of selection out for substandard performance to the entire Service;

(6) institution of multiple "up or out" procedures to assure more reliable promotion of the ablest and separation of the least capable;

(7) a statutory base for employee-management relations;

(8) institution of higher standards for promotion to senior rank by rigorous senior threshold selection procedures; and

(9) retention of senior officers based primarily on performance and needs of the Service and not seniority or age-related factors.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 8, Chron May 12–16, 1979. No classification marking.

<sup>2</sup> See Document 165.



*B. Areas of Contention*

Other important features or aspects of the proposed legislation remain controversial in varying degrees and with different groups and subgroups. Additional consultations are unlikely to produce consensus. Hearings of conflicting viewpoints by AFSA and others and decisions on the Department's final positions on the proposals are needed prior to submission to OMB and the Congress. This section describes in the attached Tabs (A) eight principal contested proposals; (B) their pros and cons; and (C) the positions of interested parties insofar as they can be summarized:

(1) The element of risk — should there be comprehensive legislation or more limited amendments to the current Act;

(2) The Senior Foreign Service: (a) why needed; (b) entry—degree of rigor; (c) exit—increased reliance on performance rather than age-related factors; (d) performance pay as a device to motivate improved performance and to enable us to compete with the Civil Service; and (c) conversion from existing senior grades—mandatory, voluntary or selective;

(3) Authority for merit pay below the senior level—how competitive should the Service be below the SFS:

(4) Employee-management relations: size of the bargaining unit (should 110–150 additional inspectors, personnel and management people be excluded?) and scope of bargaining (AFSA is pressing for mandatory consultations on various new issues);

(5) Conversion of Foreign Service domestic service only employees to the Civil Service mandatorily by enactment of the proposals with benefits preserved vs. voluntary conversion or conversion by attrition over the years;

(6) Board of the Foreign Service—should its advisory role be based on statute or E.O. and should it continue to have a role in employee-management labor relations in view of the proposed new statutory base for such matters; and

(7) Spouse/Family Issues—should we attempt to create new benefits in bill over employee and OMB opposition or to attempt to retain existing benefits with limited marginal gains in other areas.

(8) Compatibility of Foreign Service systems and the relationship of the Civil Service system—the degree of uniformity to be imposed on agencies within the FS system.

## Tab 1

Paper Prepared in the Bureau of Personnel<sup>3</sup>

Washington, undated

1. *A New Foreign Service Act or Amendments to the 1946 Act and Administrative Reform*

Should we seek a comprehensive new Act to replace the Foreign Service Act of 1946, or only specific amendments where new legal authority is required and better administration of existing authority?

*Proposal:* Extensive new legislative authority, not just administrative reform, is necessary to remedy existing structural problems and to affirm the essential role of the Foreign Service in the period ahead. Comprehensive legislation rather than piecemeal amendments to the 1946 Act can best assure these objectives.

*Pros*

Extensive legislation is required in order to:

- affirm authoritatively the essential contemporary role of the Foreign Service; (Sec. 101, pp 1–3; Sec. 104, pp 6–7.)<sup>4</sup>
- convert to Civil Service status Foreign Service personnel who are available and obligated only for domestic service; (Sec. 2103, p. 166)
- place employee-management relations on statutory basis; (Chapter 10, p. 112)
- create a single unified Foreign Service pay scale and combine multiple personnel categories now impeding effective management; (Sec.

*Cons*

Each of the legislative goals which is deemed desirable can be achieved through specific amendments, perhaps submitted over two or more years, rather than submission of a new Foreign Service Act.

<sup>3</sup> No classification marking.

<sup>4</sup> Citations refer to the draft legislation, no copy of which was found.

- 411 and 421, pp 21–2; Sec. 322, p. 16 and Sec. 331, p. 18.)
- provide performance evaluation and selection-out for substandard performance for all FS personnel; (Sec. 601, p. 38, Sec. 603, p. 39; Sec. 642, p. 44.)
  - recodify the Foreign Service Charter which now contains many redundant and obsolete provisions.
  - improve interchangeability with newly reorganized Civil Service and provide comparable incentive payments. (Sec. 1201, p. 161; Sec. 441 and 442, pp 23–6.)
- Specific amendments, which would have to be numerous and far-reaching to accomplish needed goals, also run risks of other amendments relating to special FS benefits. The latter are opposed by the same Members of Congress whether or not the Department submits any legislation.
- A coherent, unified and comprehensive approach to updating the Foreign Service Charter and to suggesting the appropriate FS relationship to the Civil Service is the best way to affirm the essential mission of the Foreign Service.
- The structural defects listed above cannot be removed by administrative action. Multiple new authorities are needed to relate promotions,
- A comprehensive new Foreign Service Act would run the risks of amendments to limit or to end existing provisions of special benefit to the Service, e.g. mandatory retirement, early retirement after 20 years service/age 50.
- Features of Department proposals which parallel Civil Service reforms or promote compatibility risk renewed efforts to incorporate the Foreign Service in the Civil Service.
- Management has failed to use some of the authority it already possesses, such as Section 519 to remove former ambassadors not reassigned after 90 days.

compensation and retention  
more closely to performance.

Why would new authority be  
used any better?

### *Opinions*

AID: Limited concerns about comprehensive approach, but feels overall system proposed is "too harsh".

ICA: Somewhat skeptical of need/desirability of comprehensive legislation, but willing to agree, if some changes are made largely in the compatibility features of the proposed Act.

OMB: Supportive of comprehensive legislation.

OPM: Supportive of comprehensive legislation.

BFS: "Recommends that only minimal legislation necessary to effect the basic purposes of the restructure plan be submitted to the Congress unless careful soundings on the Hill indicate that there is little or no risk in submitting an omnibus bill."<sup>5</sup>

AFSA: Takes position that comprehensive legislation is undesirable and risky, and that any changes necessary should be made by specific and limited amendment.

Field/Departmental Responses: Most comments received support limited approaches, as advocated by AFSA.

Congress: Fascell and Pell have indicated willingness to work on comprehensive legislation. Staff soundings continue but views have not jelled significantly.

## **Tab 2**

### **Paper Prepared in the Bureau of Personnel<sup>6</sup>**

Washington, undated

#### *2. Senior Foreign Service (SFS) (Sec. 101(b) (6), p. 3)*

##### *2. (a) SFS: Why Needed?*

Our conception of the ideal Senior Foreign Service places high emphasis on quality and competition—a more dynamic body continuously renewing itself through movement upward of most competent people, with rewards both in assignments and compensation for those whose performance is outstanding. It would be a service in which senior numbers and the match of "skills" and "needs" can be more

<sup>5</sup> See Document 167.

<sup>6</sup> No classification marking.

closely controlled than currently. For the first time, “officer” and “support” distinctions would be eliminated; all SFS members would be equal.

Some argue that the Foreign Service should not imitate the Civil Service by creating an SFS which parallels the Senior Executive Service (SES) to some degree. We think there are many advantages in doing so, principally: increased benefits and risks more closely related to performance; and greater compatibility between Foreign Service and Civil Service systems (in State, in other foreign affairs agencies; and in other Federal departments and agencies).

The Foreign Service should not be afraid of similarities to the SES system (some of which are borrowed from the Foreign Service); many basic differences between the SFS and the SES remain because of differing missions and requirements. The SFS would be a graded rank-in-person system which would employ selection out. In contrast, the SES is an ungraded rank-in-job system, with a “parachute” provision back to GS-15 for unsuccessful officers rather than selection out. SFS base compensation and performance pay would fall in the same range as established for the SES, but SFS performance pay would be determined by different principles based on the particular requirements of the Foreign Service, which serves worldwide.

The Senior Foreign Service is designed to encompass AID, USICA, and other foreign affairs agencies, as well as the Department.

We believe that unless a statutory, discrete Senior Foreign Service is created now, there will be considerable pressure for expansion of the Senior Executive Service to include presently excluded systems such as the Foreign Service. We conclude that it is highly desirable to have a parallel but independent SFS which is compatible with the SES for purposes of interchange, but which can be tailored more closely to unique Foreign Service career needs.

## 2. (b) *SFS: Entry Mechanisms* (Sec. 602, p. 38)

How should a rigorous threshold for entry into the Foreign Service be developed, which can meet the generally shared objective of maintaining a higher level of quality control, and simultaneously provide an earlier indication of senior career prospects to officers than is now possible?

*Proposal:* Upon reaching Class 1 of the new Foreign Service schedule (the current FSO/R-3–FSS-1 level), officers could choose whether and when to become eligible then or later for promotion consideration to the SFS. For FSO’s, a choice to compete would begin a limited 5 year period of eligibility. Different periods of eligibility could be established for non-FSO’s in State and for ICA and AID to meet differing circumstances. Alternatively officers could choose not to be considered, in

which case they would leave the Service when normal Time-in-Class (TIC) limits expired. Those opting for promotion consideration but not selected by the end of their eligibility period would be required to leave the Service within a "grace" period of one year. New and more rigorous precepts, tailored to Service needs for specific kinds of skills, would guide selection boards in making their SFS promotion recommendations.

#### *Pros*

High performance rewarded and quality control enhanced; better indication of future prospects given sooner by a limited period of eligibility for promotion.

Likelihood of "tombstone" promotions reduced by putting premium on high performance rather than seniority, and by selection board knowledge that tombstone promotions would require stronger justification on performance grounds.

Through a supporting career development program, employees would have a better knowledge of what would be required of them to become senior officers, and an enhanced opportunity to gain the experience and skills necessary to pass the threshold.

For specialists, limited three year renewable appointments at top of occupational group would allow for retention of those most qualified, without requiring entry into the SFS in order to remain in the Service.

#### *Cons*

A limited threshold period of eligibility could be unfair if an individual chooses to be considered for promotion, and then promotion rates are slowed because of external factors beyond his or her control.

Period of eligibility should run for full allowable period for time-in-class without forcing officers to opt to be considered.

A difficult threshold to the SFS is necessary if retirement at the new Class 1 level is to become acceptable procedure. (Sec. 602, p. 38)

### *Opinions*

AID: Initial concerns with fixed and limited threshold eligibility period assuaged by most recent draft of legislation providing for agency flexibility to set period and TIC limits, since longer periods needed for specialists.

ICA: Can accept threshold concept if it provides for agency flexibility; given very low FSIO promotion rates in recent years, a fixed five year threshold period would be too short.

OMB: No problems with threshold concept, but some see possible waste of talent if good officers forced to leave the system too soon.

OPM: Flexibility of management to set threshold eligibility more desirable than a fixed period, to preserve management options to meet evolving circumstances.

BFS: Supports modified proposal which “would permit the officer to determine when his/her five-year period of eligibility would begin,” so that (as the draft legislation now provides) “any designation of a specific time period should be addressed in the Department’s regulations rather than in the statute.” More generally, supports rigorous threshold criteria.

AFSA: This provision is unneeded, since rigorous threshold criteria can and should be negotiated under 1976 umbrella agreement.<sup>7</sup>

Field/Departmental Responses: Many raise specific questions about eligibility provisions, and more generally, echo AFSA criticisms.

### *2. (c) SFS: Exit Mechanisms*

Are existing “exit” mechanisms from senior levels (mandatory retirement, Section 519 for former Chiefs of Mission not given new assignments, selection-out for excessive time-in-class (22 years now allowed in Classes 2 and 1), selection-out for substandard performance, voluntary retirement) adequate to ensure necessary turnover, or are diverse new exit mechanisms needed?

*Proposal:* All senior officers, after being promoted to the top available class for their occupational category, would serve on a short TIC, perhaps three years. At that point, selection boards would determine whether they should be offered limited appointments for (an) addi-

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<sup>7</sup> Not further identified.

tional 3 year period(s) or alternatively, be retired. Management would provide “appointment renewal numbers”, reflecting Service needs in various categories, just as it now sets promotion numbers. Senior TIC limits at all levels would be shortened significantly for State. (Each agency would set its own TIC limits.)

*Pros*

Senior retention would be based heavily on performance, rather than on arbitrary mandatory retirement age (which may be ruled out by Congress again soon anyway).

Retention at the top would require periodic, positive selection board decisions.

Limited appointments would apply to all, and not to any special subgroup as is now true for some exit mechanisms (existing Section 519).

Limited renewal appointments at the top grades are essential if TIC is to work independently of age factors. (Sec. 641(b), p. 43)

Availability of a variety of exit mechanisms permits greater certainty of maintaining adequate senior attrition.

Selection-out for substandard performance would apply to the entire Service for the first time—from present Career Ministers through staff corps. (Sec. 642, p. 44)

Recent experience with the suspension of mandatory retirement and long delayed pay raises (which reduced voluntary retirement

*Cons*

Additional exit mechanisms are not needed, according to some; management has not used the tools it has effectively (for example, shortening senior TIC limits, using Section 519 provisions routinely).

The limited appointment mechanism is untried and could prove to be difficult to administer fairly.



substantially because of the “three year high” basis for annuity calculation) show that new and more equitable exit mechanisms based on performance are necessary if orderly attrition and therefore recruitment and promotion rates are to be maintained.

### *Opinions*

AID: Prefers to use a “parachute” like the SES, rather than the TIC/Limited Appointment mechanism (the bill as drafted would permit this, using a separate reappointment authority in the Foreign Assistance Act but this may not suffice). More generally, has expressed opinion that the State proposed system would be “too harsh”.

ICA: Does not believe new exit mechanisms are necessary, in that recent administrative actions are held to have greatly reduced problem of “impactment” at senior levels.

OMB: No difficulties with limited renewable appointments or TIC limits being shortened.

OPM: Sees limited appointment as an innovative experiment, and is interested in comparing its effectiveness with that of the parachute provision of the SES.

BFS: “Serious doubts that broad application of the three-year renewable contract is the best mechanism for solving the problem of moving unproductive senior officers to retirement”; prefers reducing TIC limits instead.

AFSA: Sees some potential advantage to limited renewable appointments if procedures are negotiable. In general, thinks management has not used effectively the authorities it has. Supports significant immediate shortening of senior TIC limits.

Field/Departmental Responses: Modification of present administrative procedure would be sufficient to deal with senior surplus, e.g., reduction in senior TIC, greater use of Section 519. One AFSA election slate would favor additional inducements for early voluntary retirement. Some, however, suggest using limited renewable appointments for the entire SFS.

### 2. (d) *SFS: Performance Pay* (Sec. 441, p. 23)

Should a performance pay system similar to that already legislated for the Senior Executive Service be instituted for the proposed Senior Foreign Service?

*Proposal:* Currently, salaries for career officers in the Foreign Service are “capped” at \$47,500 (which may rise to \$50,800 in October, depending upon Congressional action). In contrast, Senior Executive Service salaries can reach a maximum of \$66,000 for a few, and a large proportion will have total compensation in the range of \$55,000. The proposal is that in exchange for “removing the cap” on SFS salaries, the additional compensation over current levels would be awarded on the basis of performance, through decisions of selection boards. Base pay would be between \$44,756 and \$50,000 (perhaps \$52,800 after October), and up to one-half of SFS members could earn up to 20 percent of their base pay as performance pay.

#### *Pros*

Unless such a change is legislated, the principle of equal salary possibilities for senior civil servants and for the Senior Foreign Service, in effect since 1946, will be undermined. This would weaken the competitive position of the Foreign Service, making it more difficult to attract and keep the caliber of officers needed.

Allow SFS members to have the same salary potential as SES members, who may be working side by side with them in the Department.

Ties additional compensation directly to performance.

The Foreign Service selection boards already rank officers for promotion purposes and this would not add substantially to their existing duties.

The Foreign Service system is better prepared in general than the GS system to build on existing evaluation

#### *Cons*

Some hold that performance pay would cause internal divisions within the Service, by forcing supervisors to recommend only some employees and not others.

Would increase the level of professional competition, which is already high enough.

Selection Boards would have an additional burden in making the judgments necessary to award performance pay.

systems to devise a means  
of awarding performance  
pay fairly.

*Opinions*

AID: Supports, but prefers six-level base pay structure like SES, rather than three-class system proposed. Also desires that performance pay award be made totally by management action.

ICA: Supports, but somewhat skeptical of workability and practicality.

OMB: Supports, but holds performance pay should be awarded on a “lump-sum” basis to emphasize it is not an automatic part of regular compensation.

OPM: Supports strongly.

BFS: “. . . serious reservations concerning the introduction of performance pay at any level in the Service.”

AFSA: Generally opposed to performance pay, but less concerned than about merit pay below senior levels.

Field/Departmental responses: Some fears that performance pay will be awarded to “favorites”, and that it will encourage policy conformity and/or divisive in-fighting. Also a number of comments that it will be difficult to administer.

2. (e) *SFS: Conversion from Current Status* (Sec. 2102, p. 166)

Should all current senior officers be converted mandatorily to the SFS by legislative action? Should they have a period of time to join or else leave the Service? Should the qualifications of all current senior officers be assumed to meet SFS standards, or should there be a screening process by selection boards before SFS membership is offered?

*Proposal:* The qualifications of all current senior officers would be accepted as meeting SFS standards. Conversion would be mandatory and would take place upon the date the SFS comes into existence. (Alternative: there would be a three-year period for conversion, at the end of which an officer must have converted, or leave the Service.)

*Pros*

Will avoid considerable operational problems and equity issues which might arise from accepting some officers and denying others, all of whom were promoted to senior ranks by similar selection board deliberations.

*Cons*

“Blanketing-in” of all current senior officers forfeits an opportunity to insure immediate gains in quality at the top.

Will insure that all senior officers are in the same system, whereas under voluntary conversion, we would have two senior systems for an extended period of time.

Would place all officers at senior levels on a shorter TIC at the same time and under the same circumstances.

Current senior officers should be allowed not to join the SFS with its added risks and benefits, just as Civil Service "supergrades"<sup>8</sup> can opt not to join the Senior Executive Service.

### *Opinions*

AID: Agrees to mandatory, "blanket-in" provision.

ICA: Has raised informally the desirability of the selection-in/voluntary approach.

OMB: Accepts mandatory, "blanket-in" approach in current draft legislation.

OPM: Same as OMB.

BFS: Does not address issues because Board doubts need to create SFS at all.

AFSA: Has no firm position.

Field/Departmental Responses: In general, surprisingly few comments. Individually officers are interested in details (automatic inclusion vs. "selection-in"; options available to those who decline entry in system is voluntary; how contrasts/new TIC limits will be implemented).

### **Tab 3**

#### **Paper Prepared in the Bureau of Personnel<sup>9</sup>**

Washington, undated

#### *3. Merit Pay Below the Senior Foreign Service (Sec. 442, p. 25)*

Should legislative authority be sought which would allow the Secretary to establish a system of merit pay for some or all of the Foreign Service below the senior level? (Merit pay would mean that a propor-

<sup>8</sup> GS 16-18.

<sup>9</sup> No classification marking.

tion of salary, that currently represented by step increases, would be distributed on the basis of performance, rather than essentially automatically.)

*Proposal:* We propose to seek legislative authority permitting but not requiring the Secretary to establish a system of merit pay for the Foreign Service, in lieu of within-grade salary increases. We do not propose to use any of the October comparability (“cost of living”) adjustments, although 1/2 of the comparability increase will be used in the GS system. Our intention would be to defer establishment of such a system until experience with merit pay gained from its use at the GS-13/15 level, at the Senior Executive Service, & performance pay in the Senior Foreign Service is available. This would permit additional study, resolution of possible operational problems, and consultation/negotiation with employee representative organizations before such a system is initiated, while acknowledging that we support the principle of linking Foreign Service compensation more closely to performance. If such a system is initiated in the future, it is planned to make merit pay awards through the selection board process.

<i>Pros</i>	<i>Cons</i>
Supports concept of tying compensation to performance, as will be true for Civil Service, while allowing more cautious and discretionary development and implementation of merit pay system	Some hold the merit pay concept is flawed in that awards to top performers can only be made by depriving others of step increases
Allows any merit pay system to be negotiable with employee representative with respect to precepts to guide selection boards	Some believe impact will be divisive for the service, and that merit pay is inappropriate for rank-in-person system where rewards come by promotion
Will reward the better performers more frequently than promotions can	Merit pay for GS is limited to managers/supervisors; since this is a difficult distinction to make in the FS, basis for awards may be more difficult to establish
Improves on current situation, which allows virtually everyone to get an annual merit step increase and is difficult to	Award of merit pay will place additional burden on selection boards

justify and vulnerable to  
attack in the current  
political climate

### *Opinions*

AID: Permissive approach suggested above seems acceptable.

ICA: Same as AID.

OMB: Legislation should either contain a more developed plan, including how merit pay will be funded, or else no merit pay provision should be included, with specific legislation being sought later when it is desired to begin such a system.

OPM: Willing to accept permissive authority as way to finesse the issue for the moment; but strongly believes if such a system is begun, the funding formula must be the same as for the civil service (that is using all of the "step increase" funds and one-half of the current comparability increase funds); we think in inflationary period, it is a mistake to use any of the comparability funds.

BFS: "... serious reservations concerning introduction of performance (merit) pay at any level in the service."

AFSA: Opposed to merit pay for reasons listed in "Con" column; permissive approach and deferral of implementation, with precepts being negotiable may reduce opposition somewhat.

Field/Departmental Responses: Same as AFSA. In addition, there are some fears the system will become politicized and be used as a tool to encourage policy conformity. Some support for concept, provided funds do not come from step increases.

## **Tab 4**

### **Paper Prepared in the Bureau of Personnel<sup>10</sup>**

Washington, undated

#### *4. Employee-Management Relations: Size of Bargaining Unit and Scope of Bargaining* (Chapter 10, p. 112)

Given general (but not complete) agreement that a statutorily-based labor-management relations program, similar to that afforded to most other Federal employees until Title VII of the Civil Service

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<sup>10</sup> No classification marking.

Reform Act of 1978,<sup>11</sup> should be established in the proposed legislation, should there be changes in the size of the bargaining unit or in the scope of bargaining as provided currently under E.O. 11636?<sup>12</sup>

*Proposal:* Employee-management relations would be established on a statutory basis in Chapter 10 of Title 1 of the proposed new Act. A Foreign Service Labor Management Relations Board (Sec. 101, p. 121) would be established consisting of a representative of the Federal Labor Relations Board and two other members mutually agreed upon by the three foreign affairs agencies and the exclusive employee representative organizations of each. In addition to those currently excluded from the bargaining unit, personnel managers, inspectors, security officers, OPM and OMB recommend that all supervisors be excluded (Sec. 1022, p. 131). The scope of bargaining would be limited to issues which are currently consultable/negotiable, although AFSA would like to see additional issues covered (Sec. 1023, p. 131). The right of judicial review of decisions made by the Foreign Service Labor Management Relations Board would be established (Sec. 1013, p. 125).

*Pros*

Now that Civil Service employees have statutory base, it is unrealistic to try to withhold from Foreign Service employees.

By agreeing to legislation now, Department should have more effect on its provisions than if dragged in later.

Advantageous to have labor relations program designed specifically for FS-Department relations rather than trying to use different organization originally established for other purposes.

A legislated collective bargaining program will diminish any impression of unchecked management

*Cons*

Gives potentially greater opportunity for employees to limit the exercise of managerial flexibility.

Moves toward greater formalization of relations; hence, more legalistic and adversarial; management versus employees.

The right to seek judicial review of FSLRB decisions may lead to increased litigation.

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<sup>11</sup> P.L. 95–454. See Document 160.

<sup>12</sup> See footnote 4, Document 164.

power over the fortunes of employees	
Additional proposed exclusions from the bargaining unit would reduce conflicts of interest inherent when distinction between management and employees is obscure	Additional exclusions from unit will be strongly opposed by AFSA/AFGE
Would help meet OMB/OPM concerns that maximum number should be excluded from the bargaining unit	Additional exclusion may cause some employees who spend only a part of their time in excluded functions to feel unrepresented
Maintaining current scope of bargaining preserves existing management rights	Even current scope of bargaining is broader than OPM, OMB would like
Continuation of current scope keeps a known pattern of what is bargainable which has worked reasonably well	Proposed draft does not provide strong written guarantee that implementation of new features of plan will be negotiable, which AFSA strongly desires (but to do so would diminish management rights)

### *Opinions*

AID: Agrees with proposal but would like to see more positions excluded from the bargaining unit.

ICA: Same as AID.

OMB: Would prefer caution in acquiescing to union desires for a statutory system unless other gains are possible in return. The maximum number of employees should be excluded from the bargaining unit.

OPM: Concerned with (a) supervisors being included in bargaining unit, (b) lack of a union involvement in grievance procedures.

BFS: Agrees to not having an active role in the program, but desires an oversight function.

AFSA/AFGE: Strongly support basic proposal for statutory base, but want fewer exclusions from the bargaining unit and more limitation on management. Discussions continue. For AFSA (AFGE position unclear), a sine qua non for acquiescence to innovative features of other proposals appears to be considerably expanded area of negotiability (scope of bargaining); but OPM/OMB would have great difficulty with this.



Field/Department Responses: Limited comments, but those received supportive of a statutory base for labor-management relations.

Congress: House Post Office and Civil Service Committee staff would prefer as close a parallel to the Civil Service system as possible, in order to avoid reopening delicate issues confronted during legislative consideration of Civil Service Reform Act.

**Tab 5**

**Paper Prepared in the Bureau of Personnel<sup>13</sup>**

Washington, undated

*5. Conversion of Foreign Service (domestic service only) personnel to Civil Service (Sec. 2103, p. 166)*

Should the approximately 600 State and 900 ICA employees who are available for service domestically only, and who in keeping with the clear separation of the Foreign Service and the Civil Service proposal should be transferred to the GS system, be converted mandatorily with saved pay and benefits, or should this Foreign Service domestic category be eliminated through voluntary conversion and attrition?

*Proposal:* Seek legislative authority to convert FS (DES) employees to GS status mandatorily, but preserve their current pay, benefits, (including retirement system), & to the greatest extent possible, grade equivalents (perhaps through creation of special senior civil service positions for transitional purposes).

<i>Pros</i>	<i>Cons</i>
Would preserve important employee property rights, while providing the fastest possible transition to the proposed new “dual” personnel system. (Sec. 2104, p. 168)	Mandatory conversion with saved FS rights would leave ICA and State with a group of GS employees who have different and generally better pay and benefits than others at comparable levels (but of course this is the current situation, except for different “labels”)
Would emphasize the seriousness of management’s intention to	Could cause a serious difficulty for ICA, which has concluded a formal agreement with AFGE in

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<sup>13</sup> No classification marking.

operate a dual system, and to carry out the separation of the employee population into two distinct categories, thereby protecting special Foreign Service retirement and other benefits based on worldwide availability

December 1977 that there would not be mandatory conversion (although preservation of FS rights through legislation might change the seriousness of this problem)

### *Opinions*

AID: Not affected.

ICA: See Cons above.

OMB: In principle, agrees with the need to provide "grandfather" provisions and a trade-off for quick separation into "clean" GS and FS systems.

OPM: Same as OMB.

BFS: Supports mandatory conversion.

AFSA: Supports mandatory conversion, if rights can be preserved.

AFGE: Strongly opposes mandatory conversion, even with grandfathering of rights, in part because they apparently believe that grandfathering will not be possible, and that management might proceed with mandatory conversion even without such provisions.

Field/Departmental Responses: Similar to those of AFSA and AFGE as reported above; worldwide available personnel support conversion, domestic service only personnel much more skeptical.

## **Tab 6**

### **Paper Prepared in the Bureau of Personnel<sup>14</sup>**

Washington, undated

#### *6. Board of the Foreign Service*

Should the Board of the Foreign Service be given a statutory base (which it once had but was later removed)? Is its composition appropriate for current circumstances? Should its labor management relations and separation appeals functions be transferred to the proposed new employee-management machinery?

<sup>14</sup> No classification marking.

*Proposals:*

We propose that the BFS continue to be governed by Executive Order rather than by statute;<sup>15</sup> that the EO be revised (a) to include representatives of management in its membership (as previously was the case before labor-management relations and grievance functions were assigned to the Board); (b) to transfer its labor-management relations oversight functions to the proposed Foreign Service Labor Relations Board and to a Foreign Service disputes panel independent from but attached to the FSLRA; (c) to move its responsibilities for hearing separation appeals to the Foreign Service Grievance Board; (d) to make State membership on the Board more broadly reflective of the Foreign Service as a whole; and (e) to expand user-agency representation.

The BFS proposes that it should have a statutory base; that it should continue to have responsibility for advising the Secretary on the functioning of the labor/management relations structure (including disputes, unfair labor practice complaints, consultability issues, and elections for representation rights). The current disputes panel should also be retained.

Management agrees with the BFS that the Board should continue to: serve as an advisory body to the Secretary with special responsibilities to review implementation of Foreign Service responsibilities to user agencies; and ensure maximum compatibility among State, AID, and ICA systems. It also agrees that AID should come under the Board's review in the same way as State and ICA.

<i>Pros</i>	<i>Cons</i>
Focuses BFS on work it does best—representing user-agencies and coordinating three foreign services.	Non-statutory base may reduce potential impact and weight of Board recommendations.
Transfers labor-management relations functions to bodies better suited to do this work.	Board independence might be somewhat reduced by inclusion of management representatives.
Supports Administration's policy of reducing number of statutory advisory groups.	
Allows Secretary greater flexibility than under	

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<sup>15</sup> Reference to E.O. 11636.

legislation to shift BFS responsibilities and membership.

### *Opinions*

AID: Not clearly expressed, but would like some form of statutory oversight body, in order to meet Hill criticism.

ICA: Not expressed.

OMB: BFS should not have a statutory basis, in keeping with the Administration's policy to minimize the number of statutory bodies and commissions to the extent possible.

OPM: Suggests that BFS should relinquish its labor management relations and separation appeals responsibilities to the FSLRA and the Foreign Service Grievance Board, respectively. Does not believe the BFS requires a statutory charter.

BFS: See above.

AFSA: Supports a statutory role for the BFS.

Field/Departmental Responses: No comments.

## **Tab 7**

### **Paper Prepared in the Bureau of Personnel<sup>16</sup>**

Washington, undated

#### *7. Spouse/Family/Dependent Issues*

The present draft bill retains all provisions of law granting rights and benefits to family members which have been enacted in recent years. In addition, it modifies various provisions of the 1946 Act, as amended, to improve benefits for family members. In particular:

—It provides for "special" consideration of family members rather than "equal" consideration in filling overseas positions (Sec. 333, p. 19);

—In authorizing representation allowances, it specifically provides for reimbursement of representational expenses incurred by family members (Sec. 461, p. 31);

—It provides for training and orientation grants to facilitate functional training for family members, whereas the present law authorizes such grants only for orientation and language training (Sec. 704, p. 52);

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<sup>16</sup> No classification marking.

—It authorizes payments to a former family member of annuity payments on the basis of state court decrees of divorce, annulment or separation, as in the case of the Civil Service (Sec. 864(b), p. 93); and

—It authorizes continued medical care for family members for overseas service related illness or injury beyond the dissolution of marriage to a Foreign Service employee, whereas present law allows such continued health care after employees' death or separation from the Service (Sec. 921(e), p. 111).

Lesley Dorman and Janet Lloyd will raise three additional priority issues:

1. *Survivor Benefits*: They will urge an amendment to Section 821 (p. 64) to require written permission by the spouse before an employee is authorized to waive the right of survivor benefits for such spouse.

2. *Property Rights and Divorced Spouses*: They seek legislation that would enable state courts to determine at any time respective property rights of parties to a divorce in future annuity payments. (We had this in an earlier draft of the bill, but OMB took exception because this provision raised issues affecting government employment in general.)

3. *Civil Service Job Credits*: They want to acquire career service status and participate in a government employee retirement system based on cumulative service in part-time, intermittent employment. (We know that OMB and OPM would oppose this provision and recommend strongly that we do not include it in the pending bill.)

## Tab 8

### Paper Prepared in the Bureau of Personnel<sup>17</sup>

Washington, undated

#### 8. *Compatibility of Foreign Service System(s) and Relationships to the Civil Service* (Chapter 12)

To what extent should the Foreign Service be a compatible "government-wide" personnel system, with its members assigned to the various Foreign Affairs agencies, rather than a "personnel authority" which is used on an individual agency basis by State, AID, and ICA? How closely should the Foreign Service system parallel the Civil Service?

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<sup>17</sup> No classification marking.

*Proposals:*

Our proposals as a package are intended to bring about a more coordinated government-wide Foreign Service system, particularly at the Senior Foreign Service level, and to allow the Secretary to play a stronger role in bringing this about. At the same time, major efforts have been made for each agency to retain the freedom of action necessary to carry out its own mission effectively.

The philosophy behind the proposals with respect to relationships with the Civil Service system is that there must be enough compatibility (particularly of pay and grade structure) to allow easier interchange between the two systems and to insure that the Foreign Service is not disadvantaged relative to Civil Service; but that at the same time the unique circumstances and conditions of employment of the Foreign Service require special provisions, in particular a rank-in-person system in which employees rotate periodically from assignment to assignment, retention of earlier voluntary and mandatory retirement ages, and "up-or-out" principles.

*Pros*

Proposals would permit considerably easier interchange between systems than at present, while at the same time largely eliminating existing anomalies such as unearned promotions as a result of transfer.

Proposals should bring us considerably closer over time to a "Foreign Service of the United States" as was the original goal of the 1946 Act, and as has been recommended numerous times since.

Compatibility features have considerable potential for cost savings and greater efficiencies.

*Cons*

Some feel a closer link of pay and grade structure with the GS system runs a risk of the FS eventually being made a part of the GS system.

Some elements of the proposal can be seen as reducing agency autonomy in operation of personnel systems to meet special agency needs (in favor of more authority for the Secretary to maintain a more integrated Foreign Service system).

*Opinions*

AID: Would prefer even closer relationship to GS system than is proposed, in view of needs to convert relatively large numbers of

employees from one system to the other in the near future. Shares a concern with ICA that the goal of compatibility among the Foreign Service systems not impede agency independence of action.

ICA: States strongly that the proposals cannot be endorsed if they can be construed as limiting in any way ICA's autonomy of action as endorsed by the Congress.

OMB: Favors as much FS/GS compatibility as possible; and as much compatibility among Foreign Service systems as it consistent with unique agency needs. In general, would prefer the FS to adopt procedures bringing it closer to the GS system, but unlikely to insist on this at this time.

OPM: Emphasizes need for easy GS/FS transferability, but does not assert that this requires a "grade for grade" match of pay scales. Feels the FS system should take into account but not necessarily copy the GS system. Finds virtue in improved compatibility among the agencies using the FS system.

BFS: Desires greater compatibility among the agencies using the FS system.

AFSA: Concern about borrowing too much from the GS system. Supports idea of compatibility among the Foreign Affairs systems.

Field/Departmental Responses: Almost no responses received from ICA/AID, but some questions from State employees about how new FS system will be integrated with ICA/AID. Some responses also reflect the concerns listed in the Con column above.

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## 170. Memorandum of Conversation<sup>1</sup>

Washington, May 19, 1979

### Meeting with Secretary

#### *Full-Time Participants*

Secretary Vance, Mr. Christopher, Mr. Tarnoff, Mr. Vest, Mr. Read, Amb. Barnes, Mr. Michel, Mr. Bacchus<sup>2</sup>

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 8, Chron May 17–24, 1979. No classification marking. "Personnel" is written in an unknown hand at the top of the page.

<sup>2</sup> William Bacchus (PER).

I. AFSA (9:00–10:00—*Lars Hydle*,<sup>3</sup> *et al*)

Hydle said AFSA favored (1) simplification of the personnel system; (2) improved comparability of pay with Civil Service; (3) clarification of the division between Foreign Service and Civil Service; (4) relief of impacted of senior ranks; (5) a meaningful senior threshold; and (6) Chapter 10 providing for statutory employee management relations. He said AFSA was particularly appreciative of the last point; in that context he said they favored removing employee management relations from the authority of the BFS (although referring a statutory BFS as well).

He expressed appreciation also for the “unprecedented consultations” which had taken place over the last several months. They had tried to keep up with the latest drafts, but had not yet marked up the latest version.<sup>4</sup>

Nevertheless, Mr. Hydle said, AFSA had “substantial problems” with the proposals:

(1) In general AFSA would have to oppose the proposals in their present form and would testify against the sections to which it objected. The Association favored amendments rather than a comprehensive rewrite of the 1946 Act which involved too many risks. On Hill tactics, he thought that Zablocki might be unable to convince the Post Office and Civil Service Committee not to have sequential review of the bill if submitted in its present form.

(2) AFSA faulted management for not using existing authority—shorter TIC’s, fuller use of Section 519, selection-out at senior levels related to promotions to keep a steadier flow.

(3) In another general comment he said that AFSA viewed the proposals as tending to copy the Civil Service format much too closely—SFS, performance pay, merit pay.

(4) SFS. This looks like a “clone of the SES” to AFSA. They had particular problems with:

(a) Performance pay. The Foreign Service already takes greater risks both physical and otherwise than the Civil Service and these existing risks should justify raising current pay levels at least to the base pay to be provided for the SES. Performance pay will be divisive. Sheldon Vance<sup>5</sup> said that it would have “no support” among senior officers. Bob Stern quoted from a letter from Ambassador Hummel<sup>6</sup>

<sup>3</sup> Hydle, the country officer for Djibouti and Ethiopia, was President of AFSA.

<sup>4</sup> Not found.

<sup>5</sup> Former Ambassador Sheldon Vance was a senior adviser to Secretary Vance.

<sup>6</sup> Stern was the country officer for the Philippines. Arthur Hummel served as Ambassador to Pakistan.



saying that the majority of the Service doubted its utility. The Secretary indicated he had talked to senior officers who had favored it.

(5) Merit Pay. AFSA views this as “even worse than performance pay”. It would be divisive, difficult to administer, unnecessary (since there is already authority to grant additional within grade step increases). There was unanimous dislike of merit pay because junior and middle grade officers needed all the pay they could get so as not to fall further behind the rate of inflation. They opposed even providing permissive authority for merit pay in the bill. Hydle and Stern indicated they would be willing to consider providing selection boards with additional authority to withhold as well as to add within grade step increases, but they thought it should not be a “zero dollar sum game”.

(6) Chapter 10. They expressed concern about the proposed reductions in the size of the bargaining unit, particularly “confidential employees” (Tony Kern<sup>7</sup> said there were approximately 800 such members at present). AFSA asked whether management intended to exclude secretaries of top managers from the bargaining unit, and expressed strong opposition to this.

AFSA believed that the scope of bargaining provided in Chapter 10 was not as broad as that provided in Title VII of the CSRA<sup>8</sup> and that it should be.

They opposed the veto authority lodged in the Secretary to disregard certain agreements.

Hydle suggested that if management were willing to take a new “co-determination” approach to consultations, it would be “easier for AFSA to deal with other parts of the Act”. It became evident that AFSA was particularly interested in rights of consultation concerning promotion and attrition numbers.

(7) If legislation is necessary to convert Foreign Service domestic employees to GS status all benefits should be grandfathered.

Discussion: Joe McBride<sup>9</sup> said that there was no doubt “culling mechanisms” in the Foreign Service had become flawed. AFSA did not understand why management had not tightened TIC rules which were unwisely expanded in 1976. He said in the Association’s view there should be little selection out (except for absolute performance failure) at mid grades. There should be relative selection out in the SFS however and for officers who had acquired pension rights. It was necessary to balance the protection of senior Foreign Service officers

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<sup>7</sup> Kern was the Director of the Office of Employee Relations (PER/ER).

<sup>8</sup> Title VII of the Civil Service Reform Act of 1978 (P.L. 94-454) addressed Federal Service Labor-Management Relations.

<sup>9</sup> McBride worked in the Bureau of Near Eastern and South Asian Affairs.

against the rights of the junior and middle grade officers for more predictable, steady promotions. In general, he expressed support for renewable five year commissions at senior ranks at the end of the shorter time in class. Sheldon Vance agreed that there was the unanimous view that there had been serious erosion of up or out principles. He stressed that there was no "enthusiasm" for the SFS as a separate grouping.

The AFSA ICA representative expressed concern about preservation of "the autonomy" of the ICA personnel system.

The AFSA AID representative expressed concern about the lead which the proposals would give to State in setting pay plans.

Thea deRouville<sup>10</sup> said that staff corps supported selection out but thought this would be unfair unless staff corps personnel had equal pension rights with senior officers.

There was a general discussion of pay comparability with Civil Service and military, particularly the latter, and Amb. Barnes promised to share the results of the Hay Study<sup>11</sup> ASAP.

(8) Points of Opposition. The four class post classification and differentiated Chiefs of Mission pay should be retained in order to enable others to receive full hardship allowance.

II. *Senior Officer Group (10:00–10:30—Bill Harrop, Dick Vine, Lannon Walker, and Frank McNeil (Carlton Coon<sup>12</sup> came in for part of this discussion)*

Harrop made the lead presentation. He said that they spoke for the 20 or so officers who constituted the "informal leadership" of the Foreign Service.

(1) It is essential that the proposals submitted to the Congress seek a single legislative authority for all Foreign Service agencies and unite them in a single system. The senior officers would not recommend that the promotion attrition range be negotiated with AFSA each year.

(2) The SFS should be the central element of the new system so the SFS rules should apply equally to all SFS members regardless of which foreign affairs agency they came from

(a) The SFS should not be the same as the top three grades of the present Service.

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<sup>10</sup> DeRouville worked in the Office of the Deputy Secretary of State.

<sup>11</sup> See footnote 3, Document 134.

<sup>12</sup> Robert Harrop and Lannon Walker were Deputy Assistant Secretaries of State for African Affairs. Richard Vine was a Deputy Assistant Secretary of State for European Affairs. Francis McNeil was an inspector in the Office of the Inspector General. Carleton Coon was Deputy Director of the Foreign Service Institute.

(b) The SFS as they envisioned it would be a considerably smaller number of top officers. They did not think it necessary to define the SFS in the bill itself.

(c) Everyone in the SFS should be subjected to three year limited appointments.

(3) Recent history indicates that there should be no confidence in the selection board system of weeding out those who have turned in “substandard performances”.

(4) A model needed to be evolved which would provide a more reliable promotion and attrition rate than at present. They suggested somewhere in the range of 8 to 15 percent of the senior officers should be weeded out each year. They would not attempt to quantify this “flow through” model in the proposed legislation but would favor general language describing what was expected.

(5) Vine made a strong statement in favor of a sharp division between generalists and specialists in the SFS and could think of only rare exceptions when an officer would be allowed to move from one category to the other after making an initial option. Vine indicated that it was not the unanimous view of the senior officer group to have the division he was proposing in the “Vine model”.

(6) The senior officer group has no faith in the present egress mechanism of time-in-class or mandatory retirement although they would not abandon the latter. The reason they placed such heavy stress on renewable appointments is that selection boards would not have to make such difficult and unavoidable decisions and they could simply be told that X percent of the appointments were not to be renewed.

### III. *Wives/Families (10:30–11:00—Lesley Dorman, Marcia Curran, Janet Lloyd)*

(1) Section 101(b)(4) of the proposed bill should be amended to provide official recognition of the sacrifices of the Foreign Service spouses and dependents.

(2) The bill was deficient in terms of provisions for spouses and dependents on pensions, social security, and employment. Wives should earn “property rights” in pensions. They should be required to get written permission for waiver of survivor benefits. Spouses and dependents should receive “special consideration” for employment abroad. (This is already in the May 19 proposals<sup>13</sup> (in section 333(a)). Family members who fill PIT positions abroad should be allowed to accumulate reemployment rights on return. (The OPM General Counsel has indicated approval of this measure.)

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<sup>13</sup> Not found.

(3) Dorman and Lloyd referred to several cases in which they knew that wife beating or daughter beating was being committed by members of the Service and the spouse lived in fear of exposure and loss of job by employee and transmittal of such habits to sons.

IV. AID (11:00–11:30—*Bob Nooter*)<sup>14</sup>

(1) AID favored a single set of authorities for agencies using Foreign Service personnel. He expressed relative satisfaction with Chapter 12 compatibility provisions in their present form.

(2) State “up or out” procedures and requirements are not suitable for AID. The many specialists employed by AID should be employed for longer duration.

(3) Nooter expressed preference, not insistence, for continued reliance on RIF procedures rather than existing mechanisms used by State. He expressed a similar preference for exact use of the SES and GS pay scales but implied that he would not press the point.

V. ICA (11:30–12:00—*Charles Bray, Jim Isbister*)<sup>15</sup>

(1) Bray said that he and Reinhardt were satisfied with the umbrella provisions of the bill in Chapter 12. He thought that if the SFS could be achieved by legislation it could result in major improvement in the Service. He said their support was contingent on voluntary conversion to GS status of those FS employees who had been induced into the Foreign Service in order to honor the 1977 ICA (USIA) AFGE agreement.<sup>16</sup> He noted that ICA needed a longer threshold window than State because of the much smaller promotion rate at the FSO-3 level.

(2) Bray expressed personal preferences for removing the differences between FSIO’s and FSO’s. He said he would also like to see a parachute clause for SFS personnel.

(3) He would exclude all “supervisors” from the bargaining in the employee management chapter, as was done in Chapter VII of the CSRA.

(4) He favored permitting those who enter the Service at age 38, for example, and run up against the TIC limit of ten years at age 48 to serve for an additional two years until they become eligible for a pension (query: accuracy of suggestion).

A. The AFGE representatives joined Bray and Isbister for 15 minutes of discussion. Their spokesman was Mr. Koczak.

<sup>14</sup> Robert Nooter was the Deputy Administrator of the Agency for International Development.

<sup>15</sup> Charles Bray, Deputy Director of the International Communication Agency. James Isbister, Associate Director of Management of the International Communication Agency.

<sup>16</sup> Not found.

(1) Koczak noted that the AFGE ICA union was the only one to support the CSRA in 1978.

(2) He thought that Chapter 10 of the proposal was too inflexible and legalistic.

(3) He thought there should be much greater interchangeability of rights between members of the Foreign Service and the Civil Service; “a double key system”.

(4) He favored putting mandatory retirement at age 60 in contract form with employees and noted this had been done in the Panama agreements.

(5) He preferred use of the CSRA Chapter VII for the statutory employee management provisions.

(6) He noted the considerable importance of the ICA autonomy.

#### VI. *George Vest*

In response to the Secretary’s question, George Vest said he favored a non-legislative status for the BFS. The board should be advisory to the Secretary and be able to advise him on anything that they wish or that they were asked to. He favored the removal of jurisdiction over employee management matters. He noted that these were personal views and referred to the official BFS views as stated in the two letters from Dave Newsom.<sup>17</sup>

He spoke against use of performance pay for SFS.

#### VII. *Hill Outlook*

The Secretary had spoken to Church, Javits, Fascell and Zablocki and decided that we should go for comprehensive legislation as soon as he had made his final decisions and preferably by June 10. In a discussion, which included Brian Atwood, we discussed the importance of going first with hearings on the House side and avoiding concurrent or sequential review by the House PO and CS Committee if possible. Vance is willing to testify if Fascell agrees prior to leaving for Vienna and the Summit on June 14.<sup>18</sup> He is willing to call Bill Broomfield.

On the Senate side we agreed that Percy, Javits and Mathias and Ribicoff could be helpful. The difficulty of predicting Senator Pell’s position was discussed, and the possible desirability of assigning a full-time officer to assist the Senator. Jim Morton on Pell’s staff used

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<sup>17</sup> For one of the letters, see Document 167.

<sup>18</sup> Reference to the U.S.-Soviet Summit in Vienna from June 14 to June 18 when the SALT II Treaty was signed.

to work for Ledsky<sup>19</sup> and he will be contacted shortly. Ambassador Pezzullo<sup>20</sup> should contact Senator Zorinski for information.

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<sup>19</sup> Presumably Nelson Ledskey in the Bureau of Congressional Relations.

<sup>20</sup> Lawrence Pezzullo was a Deputy Assistant Secretary of State for Congressional Relations.

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**171. Memorandum From the Senior Officer Bunch to the Under Secretary of State for Management (Read) and the Director General of the Foreign Service and Director of Personnel (Barnes)<sup>1</sup>**

Washington, undated

In reply to your request,<sup>2</sup> please find attached our recommendations for specific changes in the proposed Foreign Service Act of 1980.<sup>3</sup>

Our recommendations are substantively the same as those we have suggested over the last few months<sup>4</sup> and we continue to believe that they are the minimum required to achieve the support of the Foreign Service and the Congress.

As you read the attached revisions, please keep in mind our basic position:

—We believe that the purpose of the Foreign Service Act of 1980 must be to effect major reform in the Foreign Service—with the aim of recreating a system based on excellence.

—The key objects of such change—reflected in over 30 years of reform efforts—revolve around the questions of

—A single Foreign Service of the United States v. disparate agency services.

—The question of generalists and specialists.  
and

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 8, Chron June 1–6, 1979. No classification marking. “The Senior Officer Bunch” is presumably the senior officer group represented by Harrop in the May 19 meeting with Vance, Read, and Barnes; see Section II of Document 170.

<sup>2</sup> Not further identified.

<sup>3</sup> Attached but not printed.

<sup>4</sup> See, for example, Section II of Document 170.

—The notion of “up or out”—i.e. an egress mechanism that assures rational intake and promotion opportunities.

—Any reform effort which does not address these issues clearly is doomed to failure—or worse, may exacerbate an already bad situation.

Our recommendations fall within, indeed at the head of, the mainstream of reform. We believe that

—Compatible structures should exist among the “feeder systems” of the various agencies up to the senior threshold—but that the Senior Foreign Service must be a single service.

—We need *both* across the board executives *and* highly qualified experts and the way to produce these is to establish a Senior Foreign Service which will attract such talents in the numbers we require.

and

—The system of renewable limited appointments, associated with a personnel model which determines the number of vacancies required at the senior ranks, will provide the tool which will maintain the overall flow of talent we need from bottom to top of the profession.

We remain at your disposition to discuss these proposals. We recognize that our language may have to be conformed to legislative requirements, and we are prepared to envisage alternative proposals in certain areas, for example in the transition phase.

But, we wish again to state that our support of the Foreign Service Act of 1980 is directly related to the essential positions we have recommended in our various papers and in the attached revisions.

**172. Memorandum From the Under Secretary of State for Management (Read) to Secretary of State Vance<sup>1</sup>**

Washington, June 6, 1979

*The Foreign Service Act*  
*Meeting, 10:00 a.m., June 7<sup>2</sup>*  
*I—Suggested Compromises and II—Next Steps*

Cy:

I

My reflections on the remaining issues and intra-Service political problems on structure following your Tuesday meeting with the Vine and AFSA groups<sup>3</sup> led me to the following conclusions and recommendations (which David and Peter<sup>4</sup> concur with in principle):

—First, we need to make additional accommodations to get important senior officer and AFSA elements of support within the Service.<sup>5</sup>

—Second, the compromise recommendations set forth below can be accomplished in a day or two with minimal rewriting of the bill and/or section-by-section analysis.

—Third, OMB interagency clearance on a 200 page bill is bound to take a week at the absolute minimum, and this rules out your appearance before Dante Fascell on the 13th.

—Fourth, with the additional changes recommended below, I consider it absolutely essential to get your decisions on the remaining issues and forward the bill with a cover message from you to McIntyre<sup>6</sup> by the end of this week.<sup>7</sup>

Remember that in signing off on these final issues you are not establishing the final form of the bill. It is inevitable that agency changes will be suggested, and we will have to make decisions on them. We may wish to suggest other changes in the section-by-section analysis after that is circulated here.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 8, Chron June 1–6, 1979. No classification marking.

<sup>2</sup> No minutes of this meeting were found.

<sup>3</sup> June 5. No minutes of the meeting were found.

<sup>4</sup> David Newsom and Peter Tarnoff.

<sup>5</sup> Vance wrote “yes” in the margin adjacent to this paragraph.

<sup>6</sup> James McIntyre.

<sup>7</sup> Vance wrote “OK” in the margin adjacent to the second, third, and fourth points.



We have to start counteracting the largely uninformed negative reactions to the bill within the Service and to make a major set of efforts here and abroad to do so, and I include suggestions on how to do so at the end of this memo. But we cannot promote or defend the proposal until it has your imprimatur. Pell and Fascell are both ready to move as soon as the Administration bill is forwarded. I suggest we reschedule your Fascell appearance for June 21 or June 27 (whichever SALT permits) which would be helpful in obtaining interagency clearance.<sup>8</sup>

The remaining issues that need your decisions and my suggested method of handling them are as follows:

1. *Compatibility AID/ICA*: In presenting the ICA and IDCA Reorganization Plans to Congress,<sup>9</sup> Administration witnesses stated categorically in the same terms: "The Secretary of State will have *no* operational role with respect to the budget, management, *personnel*, or general day-to-day operations of the Agency". *Dante Fascell* personally nailed this point down hard in the ICA hearings on October 18, 1977, p. 27.

In both Plans the Secretary's role is limited to providing "guidance . . . as to the foreign policy of the United States". You may wish to call Charlie Bray, as the senior officers urged, but major change is unobtainable.<sup>10</sup>

*Recommendation*: We should include in the bill a provision calling on foreign affairs agency heads to report on progress made in bringing about "maximum compatibility" between the personnel systems in accordance with one of the stated legislative objectives within 18 months after the effective date of enactment and annually thereafter.<sup>11</sup>

2. *SFS Ingress/Retention/Egress*:

(a) *Transition*: At the Tuesday meeting and subsequently discussion has revolved heavily around whether the initial transitional time-in-class assigned to a career minister, FSO-1 and FSO-2 who opts to join the SFS within 120 days of the date of enactment should be three years or five years. I think practical considerations should govern this issue.

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<sup>8</sup> Vance underscored "for June 21" and wrote "yes" next to it. He underscored "or June 27" and wrote "I will be in Tokyo" next to it. Vance was in Tokyo from June 25 to June 29 to attend the G-7 Summit.

<sup>9</sup> For the ICA plan, see Documents 139 and 140. For the IDCA plan, see Document 146.

<sup>10</sup> In your talk with Bray I also *recommend* you support a provision requiring mandatory conversion to Civil Service status within 3 years for the 900 ICA Domestic Foreign Service people following the 1981 termination of the present ICA/AFGE agreement. [Footnote is in the original.]

<sup>11</sup> In your talk with Bray I also *recommend* you support a provision requiring mandatory conversion to Civil Service status within 3 years for the 900 ICA Domestic Foreign Service people following the 1981 termination of the present ICA/AFGE agreement. [Footnote is in the original. Vance wrote "OK" in the margin adjacent to this paragraph.]

We will have an unmanageable administrative burden if the great bulk of SFS three year limited renewable appointments at the end of an initial time-in-class period all start in the same year, and it would be far preferable to stagger them as suggested below.

*Recommendation:* In the section-by-section analysis we would state the intent that during the transition period you should exercise the authority to set differentiated time-in-class rules for the top three grades by establishing staggered three, four, and five year rules for newly designated SFS members in inverse relationship to the amount of time they had already spent in their class. As presently provided, no one's present TIC would be extended if it would otherwise expire within the three to five year time frame.<sup>12</sup>

(b) *Post Transition New System:* Despite Vine et al.'s continuing preference for exclusive reliance on three year limited renewable appointments (LRA) for all SFS service under the new system after transition, I *strongly recommend* that we stay exactly with the present language of the bill which gives you complete authority and flexibility to use TIC's and LRA's and every other exit mechanism in any combination which may prove desirable.<sup>13</sup> In the section-by-section analysis if we should take another step toward the senior officer group view, we could express the legislative intent that in general time-in-class rules for the SFS should not be extended beyond the limitation set elsewhere in the bill for all limited renewable appointments, but we should make a firm decision that there will be short TIC's at the start of service in each of the top three grades before the LRA procedure goes into effect and say so in the analysis. (My own suggestion is 3, 4 and 5 years respectively for minister, minister-counselor, and counselor, but we should not be that specific even in the section-by-section analysis or it will attract legislative tampering.)<sup>14</sup>

3. *Board of the Foreign Service:* Although it goes against my own personal bias against placing advisory committees on a statutory basis, which is also an Administration formal position, I think we will gain support from some of the most senior officers and retired persons as well as from AFSA by inserting a BFS section in the bill which would be written to give you and your successors maximum possible flexibility. Such a section would read as follows:

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<sup>12</sup> Vance wrote "OK" in the margin adjacent to this paragraph.

<sup>13</sup> Vance wrote a question mark in the margin adjacent to this sentence.

<sup>14</sup> For commissioning and tax purposes we plan to revise the bill to refer to "limited renewable extensions" rather than "limited renewable appointments" for reasons we can detail but there is no change in substantive intent. [Footnote is in the original.]

Section \_\_\_\_\_. *The Board of the Foreign Service*.—The President shall establish a Board of the Foreign Service to advise the Secretary on matters relating to the Service, including furtherance of the objectives of maximum compatibility among agencies authorized by law to utilize the Foreign Service personnel system and compatibility between the Foreign Service and the Civil Service. The Board of the Foreign Service shall be chaired by a career member of the Senior Foreign Service designated by the Secretary and shall include senior representatives of the Department, the International Communication Agency, the Office of Personnel Management, the Office of Management and Budget, and such other agencies as the President may designate.<sup>15</sup>

We are going to have to ask the Board to endorse the bill, and particularly the SFS and performance pay provisions (which is the *only way* to obtain comparability of pay with the SES) and I think it would facilitate this process to include such a section.

4. *Labor-Management Issues (Chapter 10)*: On the seven detailed issues presented by AFSA on Tuesday I *recommend adopting* the essence of four of them where they make a solid case in favor of adopting the identical language contained in Chapter 7 of the Civil Service Reform Act of 1978 and where we would not be able to withstand such amendments on the Hill by labor-inclined Members anyway. These four include:

(1) Identity with CSRA on the list of “reserved management rights” which would be precluded by statute from future bargaining but not made automatically negotiable because of the deletion;

(2) Use of the CSRA model prohibiting meetings between management officials and other groups of employees besides the exclusive bargaining unit concerning grievances, personnel policy and practice, or general conditions of employment, unless the union has the right to be present;<sup>16</sup>

(3) Attorney fees: The CSRA provides for reasonable attorney fees to be awarded in successful grievances or unfair labor practice. I do not see how we can do otherwise. In return I think AFSA would be willing to undertake initial screening of all individual grievances, which would be of considerable advantage to us.

(4) Management or labor organization grievances concerning alleged violations of collective bargaining agreements: The grievance chapter under existing law and in the proposed bill is limited to individual employee grievances against the agency. AFSA correctly points out that other federal labor relations statutes and executive orders also

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<sup>15</sup> In the margin adjacent to this paragraph, Vance wrote, “OK if we get commitment.”

<sup>16</sup> Vance wrote “OK” in the margin between points (1) and (2).

include authority for disputes resolution mechanisms for agency and labor organization grievances. This is a fairly major concession on our part, but I think it would be forced on us later on the Hill and I see no reason for distinguishing our system from others in this regard.

I *recommend strongly against* concessions to AFSA on the other points raised, and I think we would be foolish and taken to task by OPM to adopt their views in these matters.<sup>17</sup>

(1) *Bargaining unit exclusions*: I think we must insist that inspectors, officers engaged in personnel work, and those engaged in criminal or national security investigations or audits—all of which are intimately and unarguably management functions—should not be included as members of bargaining units because of the potential inherent conflict between management and labor interests. OPM would oppose any further concession on this point.

(2) *Disputes panel*: AFSA argues for finality of disputes panel decisions using the CSRA analogy. The latter machinery is tested, experienced and proven. Ours will be new and inexperienced. Disputes panel decisions, on affirmative action for instance, may or may not be “contrary to the best interests of the Service” but we should certainly fight to retain that authority in the office of the Secretary of State; and

(3) *Picketing*: I think the notion that we should authorize overseas picketing is absurd.

5. *Chief of Mission Differential and Post Classification*: It is now plain that we would pick up added senior officer and AFSA support and accordingly I *recommend* that we retain the four post classification system and the present feature of law which authorizes the President to establish Executive Level I, II, III, IV and V compensation for the Chiefs of Mission (which in turn would sanction continued use of the post classification system).<sup>18</sup> We would continue, as the bill proposes, to let SFS officers who are appointed as Chiefs of Mission to elect whether to receive the specified Executive Level compensation for the classification of post to which they are assigned, although this would make them ineligible for performance pay, or to retain their SFS base compensation and to compete for performance pay. (We had originally thought that the uniform Executive Level IV compensation for Chiefs of Mission would help more other senior officers to benefit by raising the ceiling on hardship differential at Class IV posts, but we have new data which suggests that this is not the case.)

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<sup>17</sup> Vance wrote “I agree” in the margin next to this paragraph.

<sup>18</sup> Vance wrote “OK” in the margin next to this sentence.

6. *Other AFSA issues:* Hydle's final two points which he did not have time to spell out on Tuesday relate to:

(a) *Alleged Disparities between extension of spouse benefits in the bill and benefits accorded to career employees.* As acknowledged in Lars' June 6 memo, this is a problem of "perception". Close examination of the points he makes indicate the disparities are apparent, not real, and we can put some language in the section-by-section analysis to help allay such fears.<sup>19</sup>

(b) *Staff Corps: Selection Out and Annuities.* As the Hydle June 6 memo indicates "AFSA, including its staff corps members, has approved the concept of selection-out for staff corps". The memo points out, however, that such approval is contingent on a grandfather clause for the transition period "protecting present FSS employees who are not eligible for immediate annuities, either by exempting them from such selection-out, keeping them on the roles until they become eligible for annuity, or giving them immediate annuities even if they have not become eligible under present legislation". *I recommend* inclusion of such a grandfather provision in a new Subsection 2104(f) exempting present FSS members from substandard performance selection-out until they are eligible for immediate annuity.<sup>20</sup>

Note: Under the new system after transition there is an inherent inequity built into the existing retirement law for present staff corps members because annuities on selection-out are limited to those who have reached 50 years of age, put in 20 years service, or reached a grade level which only the top FSS members can reach. It seems obvious that this provision should not be rank related, but that anybody should be qualified who has met the 50/20 formula. Unfortunately, there is no chance of getting this provision of law changed with OMB in the present budget climate, but I would be delighted if Congress were willing to extend such a benefit on AFSA's or its own initiative. We want to avoid maximizing risk to the present special benefits retirement section by any initiatives we take in this area.

## II

If you are willing to make decisions on the remaining issues listed above, I suggest the following next steps:

1. Call in the Senior Officer Group and Hydle seriatim and have you inform them of your decisions and ask for their support of the bill.

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<sup>19</sup> Hydle's June 6 memorandum was not found. Vance wrote "OK" in the margin next to this point.

<sup>20</sup> Vance wrote "OK" in the margin next to this point.

2. Call Dante Fascell and see if he will agree to your appearance on June 21 or June 27 (whichever SALT permits) to let us use this date to obtain earliest possible other agency clearances.<sup>21</sup>

3. Sign a letter to McIntyre which we would date on Friday or Saturday forwarding the revised bill and asking for expedited OMB interagency clearance citing the new Hill hearing date.<sup>22</sup>

4. Suggestions for obtaining Foreign Service support: At the end of the meeting we should discuss the several steps we will need to take to obtain strong Foreign Service backing. These might include:

(a) Video taped Secretarial message to the Foreign Service when the Administration clears the bill. We have a first draft message, and we would propose to distribute copies of the tape to all posts as soon as it was cut.<sup>23</sup>

(b) Preparation of toughest major questions and answers. This Q and A material, which might be worked into a second section of the video tape, will be essential for Hill presentations and presentations in Washington and in the field.<sup>24</sup>

(c) Statements by Fascell/Pell. If they would be willing to do so, brief statements by Fascell/Pell about their willingness to undertake prompt consideration of the bill might be an effective final segment of the tape.<sup>25</sup>

(d) Task Force:

—*Washington*. A central task force will be formed which I will chair with Harry Barnes as vice-chairman to plan and monitor all aspects of the effort to enact the bill. It will involve, of course, multiple appearances by Harry and myself and others with all elements of the Department and preparation of the Hill materials.

We should ask PA to make structure a “priority issue” and detail a writer to our Washington task force on this effort.

A related effort should involve work with influential retired ambassadors and Dave Newsom and Phil Habib should have key roles here. I would hope to enlist Carol Laise and Dean Brown<sup>26</sup> on a consultant basis to spark this move. We have already had press inqui-

<sup>21</sup> Vance circled June 21 and placed a checkmark in the margin next to this point.

<sup>22</sup> Vance placed a checkmark and wrote “OK” in the margin next to this point. See Document 173.

<sup>23</sup> Vance wrote “OK” in the margin next to this point. The draft message was not found.

<sup>24</sup> Vance wrote “Some one else should do this” in the margin next to this point.

<sup>25</sup> Vance wrote “OK” in the margin next to this point.

<sup>26</sup> Carol Laise was the former Director General of the Foreign Service and Director of Personnel. L. Dean Brown was a former Deputy Under Secretary of State for Management.

ries flowing from your recent remarks about reorganization<sup>27</sup> and we will try to get several well placed stories.

—*Field*. Our present plan is to “deputize all DCM’s” to be tasked in their managerial capacity with understanding and explaining the bill at their respective posts. From Washington we would send out teams of two or three, headed by persons intimately familiar with the bill such as Bob Gershenson, PER Deputy, and possibly persons (such as Walt Cutler) if we could immerse them sufficiently in the details of the bill, to meet with groups of DCM’s who would be brought together at 10 or 12 of the largest posts. We would also authorize AFSA chapter heads to come to such meetings, and we would, of course, use the team presence at the big posts to have them meet with all employees on those occasions.

(e) BFS endorsement and testimony in favor of the bill will be important both in Washington and the field.

(f) Obviously we will want to acquaint all principal officers in the Department as broadly as possible with the principal provisions of the proposal as well as all Chiefs of Mission, and we will utilize Chiefs of Mission meetings, Ambassadorial consultations in Washington, and travel schedules by the Assistant Secretaries for this purpose.

(g) In your own travels it will be more helpful than anything else if you can schedule brief meetings with staff at posts to make some of the principal points.

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<sup>27</sup> Not further identified.

**173. Letter From Secretary of State Vance to the Director of the Office of Management and Budget (McIntyre)<sup>1</sup>**

Washington, June 9, 1979

Dear Jim:

I am pleased to send you for OMB clearance a draft bill<sup>2</sup> to strengthen and improve the Foreign Service of the United States.

This bill will change the Foreign Service in fundamental ways:

- 1) by setting higher performance standards;
- 2) by simplifying and consolidating in one place all legislation concerning the administration of the Foreign Service;
- 3) by creating a compatible personnel and pay system for all employees of the USG (primarily State, AID and ICA) who are obligated to serve most of their careers abroad;
- 4) by making a clear distinction between personnel obligated to serve abroad and those who serve only at home; and
- 5) by increasing efficiency and economy in the administration of foreign affairs.

In particular the bill would improve performance in the following respects:

- 1) It would create a new Senior Foreign Service, comparable to the Senior Executive Service. Entry into the Senior Foreign Service would be via special threshold performance evaluation boards which would apply higher standards than those now applied to persons considered for promotion to the senior ranks. For example, a Foreign Service Officer in the Department would be eligible for consideration for no more than five times after which he would be retired if not promoted. Members of the Senior Foreign Service would be permitted to serve for a limited period of time in each of its three grades, and failure to achieve promotion to the next within that period would also lead to retirement. However, limited extensions of career appointments could be granted and extended on the basis of outstanding performance. The performance of all personnel in the Senior Foreign Service would be reviewed annually and provision is made for the separation of those whose performance fails to meet the standard of their class.

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<sup>1</sup> Source: National Archives, RG 59, Personal Files of Secretary of State Cyrus Vance, 1977–1980, Lot 80D135, Chron June 1979. No classification marking.

<sup>2</sup> Not found attached.



2) The bill provides the authority necessary to institute performance pay in the Senior Foreign Service thus linking increased compensation directly to performance.

3) Separation for relative substandard performance would be extended to all members of the Foreign Service. At the moment it is limited to officers only.

This draft bill is a major contribution to the President's effort to improve the management of the Government, and I hope that the Administration will support it strongly for that reason. I attach a draft Presidential statement to accompany the bill.<sup>3</sup>

This draft has been considerably improved through extensive consultations with OMB, OPM and with the other agencies primarily affected, AID and ICA. I would appreciate it if OMB would accord it an expeditious clearance.

Rapid clearance is important because Dante Fascell has scheduled hearings on the proposed bill to begin June 21 and has asked me to be the first witness if the bill is transmitted in time. I would like very much to testify on that date in view of my heavy commitments on SALT and the Tokyo Summit meeting, and I would appreciate it greatly if OMB would expedite final clearance in order to make this possible.

Sincerely,

Cy

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<sup>3</sup> Not found attached.

**174. Airgram From the Department of State to All Diplomatic and Consular Posts<sup>1</sup>**

A-2040

Washington, June 26, 1979, 10:57 a.m.

SUBJECT

Proposed Foreign Service Act of 1979

On June 20, 1979 the Secretary submitted the proposed Foreign Service Act of 1979 to the Congress. He and Under Secretary Read testified in support of the Bill on June 21.

This Airgram forwards for your information a copy of the following documents:

- 1) The Secretary's letter transmitting the Bill to Congress;
- 2) The Secretary's testimony;
- 3) Under Secretary Read's testimony.<sup>2</sup>

In the near future, you will be sent a series of questions and answers on the Bill, a summary analysis of the legislation, a section by section analysis of the proposal and the Bill itself compared to existing legislation.<sup>3</sup>

**Christopher**

**Attachment**

**Letter From Secretary of State Vance to the President of the Senate (Mondale)<sup>4</sup>**

Washington, June 20, 1979

Dear Mr. President:

I transmit herewith on behalf of the Administration a Bill to promote the foreign policy of the United States by strengthening and

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 7, Chron June 24-30, 1979. Unclassified. Drafted by Dwight Mason (M) on June 22; approved by Read.

<sup>2</sup> Both Vance's and Read's testimonies are attached but not printed. They testified before the House Foreign Affairs and Senate Foreign Relations Committees. See "Vance Unveils Proposals To Alter Foreign Service," *Washington Post*, June 22, 1979, p. A3.

<sup>3</sup> Telegram 170775 to all diplomatic and consular posts, July 1, "Summary Analysis of the Proposed Foreign Service Act 1979," is in the National Archives, RG 59, Central Foreign Policy File, 1979.

<sup>4</sup> No classification marking.

improving the Foreign Service of the United States and for other purposes.

The Congress took a major step last year to improve the management and efficiency of the federal service by enacting the Civil Service Reform Act. This Bill is a companion measure to increase the effectiveness of the foreign policy arm of the government. It also responds to a Congressional directive (Sec. 117 of PL 94–350) to prepare a “comprehensive plan for the improvement and simplification” of the personnel systems of the Department of State and the United States International Communication Agency (previously the United States Information Agency). In addition, the Bill contemplates use of the Foreign Service personnel system by the proposed new International Development Cooperation Agency.

The last comprehensive Foreign Service personnel legislation was the Foreign Service Act of 1946. The need is clear, after more than three decades, for substantial legislative changes to strengthen and improve the Foreign Service to enable it to fulfill its essential role and mission now and in the years ahead.

I believe that this new Foreign Service Act is needed:

- to provide a clear distinction between Foreign Service and Civil Service employment, and to convert to Civil Service status without loss those Foreign Service personnel who are obligated and needed only for domestic service;

- to improve efficiency and economy by simplifying and rationalizing the various categories of Foreign Service personnel and by establishing a single Foreign Service salary schedule;

- to establish a Senior Foreign Service (SFS) with rigorous entry, promotion and retention standards based on performance, with performance pay for outstanding service;

- to make more uniform the statutory terms and conditions of Foreign Service employment based on merit principles;

- to provide a statutory basis for labor-management relations in the Foreign Service;

- to consolidate and codify the various laws relating to Foreign Service personnel which have been enacted both within and outside the framework of the existing Foreign Service Act;

- to improve interagency coordination by promoting compatibility among the personnel systems of the agencies employing Foreign Service personnel and with those of other departments and agencies.

I am confident the Congress will agree that it is in the national interest to maintain and strengthen a professional Foreign Service, representative of the American people, to assist the President and the Secretary of State in managing the country’s foreign relations.

I believe this Bill strengthens the professional character of the Foreign Service of the United States by:

(1) limiting Service status to those who accept its discipline including the obligation to serve anywhere in the world often under dangerous or unhealthy circumstances;

(2) requiring that all persons seeking career status pass successfully through a strict but fair tenuring process; and

(3) establishing closer links between performance and promotion, compensation and incentive payments, and retention in Service.

The Bill will also improve the management of the Foreign Service and promote economy and efficiency by reducing the number of personnel categories under a single pay schedule, establishing a Senior Foreign Service comparable to the Senior Executive Service of the Civil Service, and by encouraging interchange and maximum compatibility of personnel systems among the foreign affairs agencies.

The Bill has been the subject of extensive consultations. Its provisions reflect comments and suggestions which have been received from the members of the Foreign Service and the employee organizations which represent them, and from interested agencies within the Executive Branch.

The Bill is divided into two titles. Title I, made up of twelve chapters, is the Foreign Service Act of 1979, a permanent body of law concerning the Foreign Service personnel system. Title II consists of transitional and technical provisions, and amendments to and repeals of other laws.

The Office of Management and Budget has advised that enactment of this legislation would be consistent with the Administration's objectives.<sup>5</sup>

Sincerely,

Cyrus Vance

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<sup>5</sup> On June 28 Fascell introduced H.R. 4674 in the House where it was referred to the Foreign Affairs and Post Office and Civil Service Committees. On July 9 Church introduced S. 1450 in the Senate where it was referred to the Foreign Relations Committee.

**175. Action Memorandum From the Acting Director General of the Foreign Service and Director of Personnel (Rawls) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, August 16, 1979

SUBJECT

Foreign Service Structure: Modification of the FSO Cone System

*Summary*

We have previously discussed in general terms the need to establish a more structured approach to professional development for the various categories of Department employees. With the introduction in Congress of the proposed Foreign Service Act of 1979, we believe the time has come to move forward on a proposal on professional development for FSOs which would link training and assignments at mid-career to a more explicit and rigorous Threshold to the select and highly-qualified Senior Foreign Service envisioned in the draft bill. Since the proposal would change assignment and counseling procedures, it requires consultation with AFSA. It would not, however, require greater authority for PER than we now have, as recently confirmed by the Secretary,<sup>2</sup> to make assignment decisions which balance longer-term development interests with immediate Service needs and individual preferences. This memorandum therefore describes modifications of the cone system for assignment, training and counseling (and possibly promotion) for FSOs and requests your approval to raise the proposal with AFSA. Our implementation goals would be to announce our intentions and develop officer awareness during the 1980 assignment cycle, to draw on the improved analysis of functional needs provided by the skill code project in mid-1980, and to proceed with dual-cone designations and assignments in the 1980 assignment cycle.

*Background*

In our earlier papers on professional development,<sup>3</sup> we alluded to the idea of a pattern for FSO careers which would include acquisition

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<sup>1</sup> Source: National Archives, RG 59, Records of the Deputy Secretary of State, 1977–1980, Box 21, Memos From WC to P, E, T, M, C, 1979. No classification marking. Drafted on July 31 by Michael Durkee (PER/FCA/JO); cleared by Ronald Palmer (PER/FCA), Ruth Schimel (FSI), Jackson (PER/MEG/HRM), Anthon Kern (PER/ER), Barnes, and Bourbon. In the upper right-hand corner, Warren Christopher wrote on December 10, “Ben—This reform will help functional bureaus do their jobs, and should be pushed. Chris.”

<sup>2</sup> Not found.

<sup>3</sup> Not further identified.

of a plurality of skills and experience. This idea grew out of our study of the present cone system,<sup>4</sup> which concluded that, while the present system has served us tolerably well in terms of staffing those broad functional areas, it is no longer adequate to meet either newer and more specialized Service needs or the growing requirements for managerial talent at senior levels.

For example, the emphasis on single-function assignment and promotion competition has tended to discourage officers from entering new fields, such as narcotics affairs or humanitarian affairs, or smaller fields, such as science and technology or labor affairs. Further, in light of the McBer study and our own studies of career development,<sup>5</sup> it seems clear that no single cone provides officers with the full range of skills and knowledge needed in senior executive positions. The consular and administrative cones have traditionally provided opportunities for officers to develop managerial and inter-personal skills, while the economic/commercial and political fields have emphasized analytical and reporting skills plus substantive knowledge of foreign affairs. All these skills are, of course, important at the top.

Finally, the proposed structural reforms, particularly the Senior Foreign Service, underline the importance and urgency of taking steps to improve career development. In order to establish a Threshold for the select and highly-qualified SFS envisioned in the bill, we need to have a systematic and reasonably accessible program under which officers will be aware of the Threshold requirements and have opportunities to meet them. (Realistically, the Threshold requirements will probably have to be applied in stages over several years, in order to avoid inequitable treatment of mid-grade officers, particularly at the FSO-3 level, whose assignment patterns reflect the current emphasis on cones.) As part of our larger effort on implementation of the new Foreign Service structure, we are currently working on proposed criteria for the senior threshold. These would certainly have to include the requirement for a wider range of skills and experience than is normally provided by the present system and might also include requirements with respect to language qualification, service in hardship posts and a reasonable distribution of geographic experience in addition, of course, to superior performance.

### *Proposal*

What we suggest is modification of the present cone system to permit and encourage a plural approach to career development for FSOs. As each officer completes the Junior Officer Program and enters

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<sup>4</sup> Not found.

<sup>5</sup> Neither found.

the mid-career stage, he or she, in consultation with PER, would decide on the main lines of career development thereafter. In the normal case, this would mean continued progression within the tentative cone of entry, supplemented by training and assignments in other cones or subfunctions. (In this process, PER would factor in Service needs as reflected in skill/resource projections and current assignment lags, so that officers would be guided toward areas with reasonable assignment prospects. Our workforce planning would have to keep track of the acquisition of secondary skills, but hiring and promotion up to the Threshold could still be based largely on primary cone designations.) In certain other cases, the decision could call for concentration solely within one cone, in the clear understanding that career prospects would be defined generally by the opportunities within that field. Other cases might involve applications to change the original cone, subject to a needs test. But in all cases, once the basic career direction was established, PER would proceed with training and assignments with such focus up to the Threshold. We will need to know more than we presently know about the number and combination of skills which might be acquired in this process. As a start—to find out how we presently stand—we are pursuing a project to systematically inventory the skills and experience each FSO possesses and the skills and experience required for each FSO position. Future work force planning can then take account of current Service needs at any point based on a more reliable inventory. The system will be operational next spring.<sup>6</sup>

In parallel with our efforts to reform structure in a way which increases the compatibility between the Foreign Service and Civil Service systems within the Department, we also intend to look at the whole question of professional development for senior GS employees. In this regard, we need to determine what combinations of skills and experience are needed for the Senior Executive Service and the kind of counseling and training which should be provided to that end.

Implementation of this proposal for the Foreign Service—once agreed and approved by AFSA and the Department—could begin with the newly-tenured FSO–6 and current O–5 officers during the 1981 assignment cycle. A goodly number of FSO–4 officers could also be included in a later phase. But it may be that many FSO–4s and most FSO–3 are past the point in their careers when development of new functional expertise is possible or desirable. However, such officers could be given a certain degree of protection through the phasing-in of Senior Threshold requirements, and the limitations of their career

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<sup>6</sup> This linkage is illustrated in the implementation schedule presented on pp. 6–7. [Footnote is in the original.]

patterns would not make them any more difficult to handle under this approach than under the current system.

### *Discussion*

Properly implemented, a plural career development system should give the Department greater control over the flow of officers into different functions while permitting individuals to have a greater variety of experience than at present. A political officer who serves as a GSO or management analyst would acquire a better understanding of the management of people and resources, while a consular officer who gets involved in fishery affairs will get better exposure to policymaking and the conduct of bilateral and multilateral relations. Admin officers should find that the analytical and drafting opportunities in INR were very advantageous, and economic officers could find new challenges in budget work in a regional executive office.

But it is important to note that multi-functional training and assignments would require a strong and effective central PER role in personnel decisions, both to help officers move into appropriate jobs after training in a new function and to insure that posts and offices receive qualified replacements. It would probably be necessary for FSI to add or modify training in certain functions, to provide appropriate bridges for new entrants to those fields.

Two other caveats regarding implementation should be noted. First, in thinking about career development, we have to be aware of the apparent conflict between the need for top flight specialists in a world of increasingly specialized diplomacy, and the evident need to give our prospective senior executives a broader range of experience. To the extent that an officer prefers a specialized career pattern, knowing that it will probably not lead to a senior managerial position, well and good. But for officers aiming to develop a number of specialties in preparation for senior executive jobs, we suggest that the twig be bent fairly early, say at the current Class 4 level, with the second cone experience already obtained normally at Class 5. This would leave the later stages of mid-career service for focus on the primary cone, at a rank level which calls for solid credentials to succeed in the bureaucratic arena in Washington.

Second, to provide additional support for the two-track approach, we should also modify the system of awarding mid-grade promotions. Under the present cone-based system, many people believe that out-of-cone experience is penalized. We should make sure that officers gaining new skills via training, details or other out-of-cone work are given suitable consideration, perhaps via a reasonably large multi-functional promotion pool. (This change seems desirable in any event, but is not required to implement the other changes in the cone system.)



To further increase our flexibility and provide suitable inducement for acquiring peripheral skills where we need them, we also want to take a close look at the constraints inherent in the zone merit promotion system and determine whether the advantages in that system are still sufficiently evident to justify its retention.<sup>7</sup>

Finally, the proposed system would facilitate development of rigorous Senior Threshold criteria. The requirement for dual-development should be a criterion for the more managerial generalist component of the SFS, for instance. Its voluntary nature is likewise consistent with our approach to the SFS and with the reality that we could not practically cross-train all officers and the related fact that not all officers aim for senior executive status. Like the effort to improve the skill code system, modification of the cone system increases the body of public wisdom about what is needed to succeed in this business, improves our capacity to counsel and assign personnel and also supports the general thrust of the structural reforms. It is worth noting at this point, however, that counseling will have to be both more “intrusive” and more continuous, i.e., it can no longer focus exclusively on people and jobs coming up during the immediate assignment cycle. It will also become, even more than at present, a two-way dialogue with a fair measure of continuing self-appraisal by the officer.

It also seems clear that a more directed assignments procedure will be necessary as greater priority on development will be perceived in some cases as inconsistent with bureau and officer preferences in particular cases. However, this would be quite compatible with the Secretary’s recent affirmation of the role and authority of PER.

[Omitted here is the implementation schedule.]

#### *Recommendation*

That you approve modification of the cone system to permit and encourage FSOs to develop professional competence in additional functional fields, with implementation based on the schedule noted above.

Approve \_\_\_\_\_<sup>8</sup>

Disapprove\_\_\_\_\_

Discuss\_\_\_\_\_

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<sup>7</sup> An unknown hand wrote “Good!” in the margin adjacent to this sentence.

<sup>8</sup> Read signed the “Approve” line on August 29.

**176. Letter From the Chairman of the Board of the Foreign Service (Newsom) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, December 18, 1979

Dear Ben:

This is to reconfirm the support of the Board of the Foreign Service for the performance pay provisions of the proposed Foreign Service Act of 1979. The Board devoted considerable time and attention to studying the provisions of the proposed Act, including the concept of performance pay. Following briefings and its own deliberations on this subject, the Board on August 2 formally endorsed the performance pay provisions in a resolution the text of which is attached to this letter.<sup>2</sup>

As I stated in my letter to Secretary Vance on August 4<sup>3</sup> conveying the Board's decision and resolution, "Central to the Board's conclusion on this subject was the consideration that, under present circumstances and given the prior passage by the Congress of Civil Service legislation containing performance pay provisions,<sup>4</sup> the only practicable way now available to ensure that senior level Foreign Service officers have the opportunity to attain salary levels comparable to those of the top levels of the Civil Service is through the adoption of similar performance pay provisions. The Board noted that this position supports the general principle that Foreign Service pay opportunities should maintain comparability with those of other government and private sector professionals."

I hope that this restatement of the views of the Board of the Foreign Service will be helpful in your continuing discussions of these provisions of the proposed Act both with the Congress and other interested groups.

Sincerely,

**David D. Newsom**

*Chairman*

*Board of the Foreign Service*

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 12, Chron December 15–18, 1979. No classification marking.

<sup>2</sup> Attached but not printed.

<sup>3</sup> Not found.

<sup>4</sup> Reference to the Civil Service Reform Act of 1978, P.L. 95–454. See Document 160.

**177. Memorandum From the Inspector General of the Department of State and the Foreign Service (Brewster) to the Director General of the Foreign Service and Director of Personnel (Barnes)<sup>1</sup>**

Washington, January 31, 1980

SUBJECT

Proposed Criteria for the Senior Threshold

I have read your paper proposing certain standards for “Eligibility for Senior Foreign Service Threshold Selection Board Review.”<sup>2</sup> I have some comments to make on both the concept of the paper and some of the particular points that have been included.

I wonder if a list of “ticket-punching” requirements throughout one’s career is the approach we really want to take to this issue. The contact that we have had with the military and its “ticket-punching” system leaves the impression that it can develop serious negative aspects. Over a period of time, the street-wise begin to attach the criteria to a time-frame, and some of the criteria acquire reputations as better “punches” than others. The competition for these better assignments becomes intense. One of the unfortunate side effects in the military system is that perfectly bright and capable officers who perceive that they have missed out in early competition tend to quit trying and begin to look forward to retirement at the earliest possible time. The Foreign Service Corps is admittedly smaller and, presumably, more manageable than the military, but I think a “ticket-punching” list of criteria will require constant watching and management or it will get out of hand. Do we want to undertake this additional task given the already rapidly changing personnel scene at State?

The second problem is that once you develop a list of criteria for the “ticket-punching” system, you are in effect committed to maintaining those criteria for a long time—at least long enough to protect those who believe the system and undertake to acquire the appropriate punches. The list of criteria you propose seems to meet many current concerns of the Department personnel system, e.g., EEO training, staffing the hard-to-staff hardship posts, building the Service’s language

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 1, Chron January 29–31, 1980. No classification marking. Drafted by Donald Colin (S/IG). Copies were sent to Read, Thomas Tracy (A), Roger Feldman (M/COMP), and Gifford Malone (M/MO).

<sup>2</sup> Not found.

capabilities, out-of-agency assignments. Will these still be our same concerns ten or twenty years from now?

The proposed list of criteria also could be read as an attempt to solve the Department's immediate assignment concerns by inducing officers to volunteer for assignments that cannot be filled due to the deterioration of service discipline. FSO's in the junior and mid-grades may well tend to read it this way.

The criteria and the underlying concept seem biased in favor of political and economic cone officers. The second paragraph of the covering concept paper sets aside the most meaningful SFS positions for those who meet the "multi-functional requirements." As Tom Tracy and others indicated when the PPG discussed the original idea, it is generally easier for political and economic cone officers to obtain out-of-cone experiences than it is for those in the perennially short-handed administrative and consular cones, especially those who are particularly good managers (the very ones we should be seeking).

The "Tentative List of Functional Fields" needs to be defined more precisely. What is meant by "engineering," "arts," "archival science" and "legal affairs?" Are these truly Foreign Service functions, or are they domestic service functions? "Hardship" posts also needs to be defined better, i.e., are Manila and Bangkok both ranked the same since both receive differentials?

A major drawback to the list of criteria is that very few of the mandatory items will, of themselves, demonstrate that the candidates for the SFS have acquired the requisite executive and leadership capabilities. Linguistic proficiency, assignments in hardship posts and long-term training are all desirable, but do not guarantee that the candidate has acquired the desired managerial skills. The only current criteria directly tied to management and supervision are points 1 and 2 under B. At some time, SFS candidates should be required to have demonstrated successful supervision or management of resources. We think this should be a Mandatory Requirement.

Could not the SFS threshold be approached in the same basic manner as the career candidate threshold? There could be special evaluations by supervisors of candidates that focus on the ability of the candidate to function as a program manager. Criteria or precepts should be developed that indicate future potential as a senior executive. These should be considered and ranked by a threshold board, perhaps also with an in-person appearance by the candidate. Once the board certifies the candidate for passing the threshold, the candidate can compete for future assignments that will actually bring him or her into the SFS. This would seem to avoid the dangers inherent in pegging SFS threshold criteria (and future Department concerns) to a check sheet which the officer has to begin considering from the day he or she enters the Foreign Service.

**178. Memorandum From the Chief of the Inter-American Affairs Assignment Division, Office of Foreign Service Career Development and Assignments (Watson) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, April 1, 1980

SUBJECT

Tandem Couples

*Action Memorandum*

Some time ago you asked for information covering several points related to “tandem couples:”

- (A) How many State employees are members of “tandem couples?”
- (B) How many of these employees have been in a Leave Without Pay (LWOP) status?
- (C) What has been the duration of such LWOP’s?
- (D) How many are *now* in LWOP status?

The data you called for is provided herein. However, some clarification is in order since much of this information we know to be imprecise to varying degrees:

a) PER’s computer data base is limited to the information on marital status which is provided voluntarily by employees, i.e. whether an employee is married to another “tandem” employee (world-wide available employee of State, USAID, USICA). This information is received via annual Personnel Audit Reports (PAR’s), submitted (or not) by employees. Thus, this information is not necessarily complete. In an effort to ensure that no “tandems” wishing to be identified as such are overlooked because of gaps in our data base, we are sending a circular cable to all posts (TAB F)<sup>2</sup> and will publish a Department Notice along the same lines.

b) Where the information in the data base has been judged incorrect by PER/FCA Career Development and Assignment Officers, it has been corrected; i.e. known separation of a spouse from the Service(s), marriages, divorces.

c) In certain cases we know that the period of LWOP for a spouse was a function of the assignment of the other spouse; in other cases

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 3, Chron March 31–April 5, 1980. No classification marking. Sent through Barnes.

<sup>2</sup> Tabs A–F were not found attached.

this may also have been the case for a part of the LWOP period, but not for all of the LWOP period; or the LWOP may have been for personal convenience, as opposed to unavailability of an appropriate position for assignment.

### *Definition*

A State employee is defined as a member of a "tandem couple" if the State employee is a "world-wide available" employee (world-wide tenure code) and married to a "world-wide available" employee of State, USAID or USICA.

### *Findings*

This paper brings to light several factors not previously known:

(a) *The number of State "tandem employees" (366) is about 50% greater than we had previously believed*, since a substantial amount of the information we have gathered is not included in PER's computer driven data base. We would anticipate a further increase in this number as we receive responses to the cable and Department notice mentioned previously.

(b) *Approximately 5.3% (366) of State's 6,794 world-wide available employees (6,794 figure from data as of 12/31/79) are members of "tandem couples."*

(c) *About 13% (47 in number) of these "tandem couple" employees have been in LWOP status for some time during the period beginning in January, 1973 to February 1, 1980, as a function, we judge, of the lack of an appropriate overseas assignment opportunity co-located with the other spouse.*

(d) *81% of these 47 LWOP's have been for periods of less than one year. About 20% (10 employees) of the 47 LWOP employees have been in LWOP status for periods totalling more than a year. Three employees have been in LWOP status for periods totalling more than two years (Ernestine Heck, Lee Reynolds and Barbara Thomson). (Period covered 1973-1980.)*

(e) *66% (242) of the 366 "tandem couple" employees are presently assigned overseas; 34% (124) are assigned domestically.*

(f) *FSO/RU/R's comprise 61% (223 employees) of State's 366 "tandem couple" employees; FSS's comprise 39% (143 employees).*

(g) *Of the 242 "tandem couple" employees assigned overseas, 36% are in EUR posts, 21% in ARA posts, 19% in NEA posts, with 13% in AF posts and 12% in EA posts.*

For comparison purposes, assignment distribution of all world-wide available employees abroad also shows comparable percentages serving in ARA, EUR and AF, with 15% in EA posts (compared to 12% "tandem") and 14% in NEA posts (compared to 19% "tandem").

(h) *Of the 242 “tandem couple” employees assigned overseas, 59% are assigned to non-hardship posts, and 41% to hardship posts.*

For comparison purposes, of all 4,187 (as of 1/31/80) State employees assigned abroad, a recent analysis by PER/MGT/HRM indicates that approximately 50% are assigned to non-hardship posts, and 50% to hardship posts.

(i) Of the 366 “tandem couple” employees, 340 (93%) have State spouses, 15 (4%) have USICA spouses, and 11 (3%) have USAID spouses.

#### *Next Steps*

Our data on tandem couples is now substantially improved, and will become more complete as we add from responses to our cable and Department Notice. We should have this additional information in about four weeks. Once it is in hand, we plan to submit to you a paper outlining various options for dealing with tandem assignments and proposing consultation with AFSA.

**179. Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, undated

SUBJECT

Families at Post

As the attached memo notes, one element of the “stay-at-home Foreign Service” image abroad in the land has been a growing perception that a significant number of Foreign Service officers and staff who have families are in fact going to posts abroad without their spouses and children.

To get at the real story—and as part of a broader effort to document the difficulties of staffing hardship posts—we sent a cable to all posts<sup>2</sup> asking how many employees with families were at post either alone or with only part of their immediate family present. The responses, summarized in the attached memo, were broken down by the differential level of the post, by the employee grade level, and by the reason (or reasons) for the absence of all or part of a family.

In the absence of comparable data from an earlier period, interpretation of our overall finding that 91% of employees with family at non-evacuation posts have all or part of their families with them is hazardous at best. Is the glass half-full or half-empty? That is, are we looking at a chronic, but manageable problem, or at the tip of an iceberg which threatens to sink the ship? At first blush, we incline to a cautiously optimistic view, since we find the number of absent families to be less than we had expected (FLO shares this view). Within this total, we are also struck by the relatively small number of employees (29 worldwide) who cited “spouse’s career” as the primary reason for the absence of their families from post, since we had anticipated that this phenomenon would have a more marked impact on service abroad than is yet the case, and by the significantly larger number (79) whose families are away from post because of “children’s education.” Finally, we note that the percentage of employees without family remains constant from non-differential through 20% posts, but rises sharply at

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 4, Chron May 5–10, 1980. No classification marking.

<sup>2</sup> Not found.



25% posts<sup>3</sup>—thus suggesting that greater financial rewards may not in themselves solve our problem.

Because our data represent only one point in time, and are not part of a trend line, we recommend that they be taken with a large grain of salt. Nonetheless, we believe this information, albeit imperfect, should be shared with the Foreign Service as a whole, and plan to use it as the basis for an appropriately caveated article in the *Newsletter*.<sup>4</sup> For the longer term, we propose to repeat the worldwide survey two years hence (allowing time for a turnover of most personnel now at posts), and expect that the information gathered at that time—and the resultant trend line—will give us a better sense of the real dimensions of our problem.

## **Attachment**

### **Memorandum Prepared in the Department of State<sup>5</sup>**

Washington, undated

#### *FAMILIES AT POST—SURVEY DATA*

##### *Introduction*

There is a growing perception that a significant number of Foreign Service employees with families do not have those families with them at overseas posts. While this perception is a general one, it is perhaps most persistent in connection with hardship posts.

The purpose of this survey, which relied on responses from posts to three specific questions, was to determine the true extent of the no-family-at-post phenomenon in general and at hardship posts (as compared to non-hardship posts) in particular. Accordingly, the data is presented in the same basic format as used in the earlier report on staffing hardship posts.<sup>6</sup> One caution is appropriate: It will be noted that not all the data can be fully reconciled. This is attributable to the essentially voluntary nature of the survey and, hence, the possible failure of some employees to divulge pertinent information.

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<sup>3</sup> The differentials describe the amount of additional pay based on one's salary for serving at a hardship post.

<sup>4</sup> See "Family Separation Problem is Subject of a Survey," *Department of State Newsletter*, June 1980, p. 22.

<sup>5</sup> No classification marking. Drafted on April 24 by Robert Homme (PER/FCA/EUR).

<sup>6</sup> Not found.

*Summary of Findings*

The data reveals that 88% of our employees serving overseas who have families have their families (or at least part of them) at post. There is some difference between differential and non-differential posts with regard to presence of families (see Section II.A.),<sup>7</sup> but overall the differences are not great. 91% of the families are present at non-differential posts, while the overall figure for differential posts is 85%. At 10% and 20% differential posts, the rates are 94% and 90% respectively, about the same as at non-differential posts, while at 15% and 25% posts the rates are sharply lower (75% and 77% respectively). This zig-zag pattern contrasts with the smoothly rising curve we found with regard to underbid jobs, where the underbidding rate rose with—that is, despite—the differential.

The reasons provided in the survey responses suggest the explanation. “Evacuation or danger” was the reason given in almost 40% of the cases overall, and rose from zero at non-differential and 10% posts to less than 20% at 20% posts and less than 33% at 25% posts. At 15% posts, however, it accounted for over 90% of the cases.

Review of the figures by region confirms the suspicion: all but one of the family absences at 15% posts are in NEA. Except for this bulge, the drop-off comes at 25% posts in NEA (50% family presence) and ARA (60%). In AF, on the other hand, almost 88% of the families are represented at 25% posts. (Both of the families in EA 25% posts are present; EUR has no 25% posts.)

Moreover, removing the evacuation posts does in fact remove the anomaly (Section IV.). The percentage of family presence is in the low 90's from non-differential posts through 10%, 15%, and 20% posts, dropping (not surprisingly, and not much) to 82% at 25% posts. (The zig-zag curve when evacuation posts were included resulted from the coincidence that there are 6 such posts with 25% differentials and 6 with 15%, but only 3 with 20%.) Breaking the data out in this fashion, which is a truer measure of the dimension of the “stay-at-home” problem, reveals that over 90% of the employees with families at non-evacuation posts have family with them. And, perhaps surprisingly, there is no significant difference between overall hardship and non-hardship categories.

The next most important reason given for absences overall was “children’s education”, accounting for just over one-fourth of the absences. This reason was given for about half the absences at non-differential posts and at 20% posts, and a third of the cases at 10%

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<sup>7</sup> Reference is to a section in the data tables, which are attached but not printed.

posts, but less than a fifth at 25% posts, and almost none (1 out of 102) at 15% posts. (As we have seen, in these last two categories “evacuation or danger” has already effectively kept families away.)

All other reasons combined only accounted for one-third of the absences, with “spouse’s career” leading the specific reasons given with less than 10%.

### *Conclusion*

As a snapshot of the families at post situation at a specific point in time, the survey tells us a good deal about the present dimensions of the problem and the reasons for it.

Whether what it tells us is dramatic—or significant—depends largely on what was expected. However, it does seem to indicate that, when evacuations are factored out, the stay-at-home family phenomenon is no more pronounced at hardship posts overall than it is at non-hardship posts.

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## **180. Briefing Memorandum From the Under Secretary of State for Management (Read) to Secretary of State Muskie<sup>1</sup>**

Washington, September 9, 1980

### **SUBJECT**

Professional Development Group to Vet FSI Proposal

As a result of our Saturday morning meeting on the budget,<sup>2</sup> I am forming an assistant-secretary level group to go over the structure and content of the career development and training proposal in our FY 82 budget request. The group’s mission will be to give the proposal a strenuous vetting, drawing on its own and outsiders’ perspective, to make sure the nature, timing and amount of training presented to OMB later this month are solidly grounded and backed by the career service. The group will meet twice weekly over the next three weeks, starting Thursday, September 11, bringing in outside advice as necessary.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 6, Chron September 8–13, 1980. No classification marking. Printed from a copy bearing Read’s stamped initials.

<sup>2</sup> September 6. No minutes of the meeting were found.

I am asking the following to join this group, which I will chair:

Matt Nimetz, Under Secretary

Roz Ridgway, Counselor

Harry Barnes, Director General

Ron Spiers, Assistant Secretary, INR

Diego Asencio, Assistant Secretary, CA

Tom Tracy, Assistant Secretary, A

Deane Hinton, Assistant Secretary, EB

Hal Saunders, Assistant Secretary, NEA

Tony Lake, Director, S/P

Roger Feldman, Comptroller

Paul Boeker, Director, FSI

Vivian Derryck, Deputy Assistant Secretary-designate,  
Equal Employment Opportunity

Charles Bray, ICA

James Isbister, ICA

### **Attachment**

### **Paper Prepared in the Foreign Service Institute<sup>3</sup>**

Washington, undated

#### *CAREER DEVELOPMENT AND TRAINING FOR FOREIGN SERVICE AND DEPARTMENT PERSONNEL*

##### *The Need*

Critics of the Department of State over many years have consistently faulted us for failure to develop systematically our personnel. Recognizing that our people are our main resource in carrying out United States diplomacy, we have no excuse—especially in times of budget stringency—for not bringing these people to fuller effectiveness by careful development of careers through assignments and training. Most recently the Senate has addressed this need in an amendment to the proposed Foreign Service Act which mandates a full career development and training plan and requires us to report in 90 days from passage on progress and the resources needed.

The unique combination of foreign affairs generalist and expert in some of the many special functions and areas that are vital to foreign

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<sup>3</sup> No classification marking. Drafted on September 3 by Paul H. Boeker (M/FSI).

affairs (economics, science and technology, military/disarmament affairs, narcotics, to name a few) defines a very difficult and changing career development task. Yet a personnel force that has substantive depth in these specialties, as well as the generalist's foreign policy sense, is crucial to the Secretary of State's remaining effective in all the specialized fields that are critical to management of foreign policy. Given the breadth and depth of these requirements, increased training, together with more tailored assignment experiences, has to be a part of a successful approach.

Adequate investment in training our people has not been possible previously because we have too few people in the system to fill all line jobs, much less provide training, creating continual pressure on even our existing training programs. Therefore, to implement a structured approach of training for all Foreign Service officers at strategic points in their careers, as foreseen in the Pell Amendment in the new Act, we need, as a minimum, additional people in the Service at least equivalent to the resulting increase in person/years of training. Otherwise we could meet the important career development and training requirement only by neglecting or further understaffing other important functions—an unsustainable approach. The cost of the plan is largely this personnel cost—expanding employment by the amount of additional time in training.

### *The Proposal*

Based on the nature and variety of jobs Foreign Service officers are expected to do throughout their careers, we have developed a strategic approach to enhancing their effectiveness by professional training for all at 3 critical points of their careers—the beginning, early mid-level and the senior threshold. The expansion of initial training is concentrated on basic job skills plus grounding in the requirements and tools of analytical reporting. (We are also requesting additional junior officer positions overseas to assure that more of them get both more varied and more reporting experience early in their careers.) Mid-level training—an entirely new program—is designed to deepen professional skills in an officer's main function (political, economic, administrative, consular) as well as broaden our skills base by training in a second, probably less traditional area of foreign affairs. The main function of senior-level training would be program management, defined broadly to include the domestic and bureaucratic dimensions of successful foreign affairs management, although some of this would be covered at mid-level as well.

We also propose to correct the shocking inadequacy of language training and area orientation for Foreign Service staff people, most of whom are now sent to work and live overseas without any such train-

ing. Under the proposal we could provide basic language training and relevant area orientation for about two-thirds of our staff going overseas, rising eventually to a skill base where virtually all would have this preparation.

While expansion of the junior officer training (by 3 weeks) and the senior management training (5 weeks) can be absorbed, the new mid-level program (5 months for 180 FSO-5s each year) and the expanded training for Foreign Service staff (about 140 annually in 10 week language/area courses, plus increased administrative, consular and communications training) are not possible without increasing the work force by the planned increase in training investment each year: 75 FSO (for 75 person/years of additional training) and 45 Foreign Service Staff positions.

To provide continuity and to assure Congress, OMB and ourselves that we mean business, we would take these additional positions, plus what training investment we now make, and segregate them in a "training complement" that defines the annual investment the Foreign Service should make to operate the career development and training program at the level required. In other words we are not just asking for some more training positions, we are proposing to establish a permanent career development and training program which consists of a defined annual investment in personnel time, the addition of people needed to assure permanence, segregated in a training complement, and a completely revised curriculum of the Foreign Service Institute to meet the needs of this program.

The proposed increase in training for the Department's Civil Service employees emphasizes management training and job-related functional training. Because of the nature of the Civil Service system, new training positions are not required, other than establishment of a Presidential Management Intern complement.

#### *Curriculum of Foreign Service Institute*

Secretary Vance, concerned about missed opportunities in the role of the Foreign Service Institute, had ordered a complete review and reform of its curriculum.<sup>4</sup> This task is already underway, although part of it will meet the instructional side of the career development and training proposal and therefore accounts for part of the proposal's cost. This review concluded that while the quality of FSI's courses should be improved, the main reason it was not achieving the desired, strategic increase in the effectiveness of our people was the problem of delivering the training under current personnel constraints. The career develop-

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<sup>4</sup> Not found.

ment and training proposal, entailing increased personnel, the training complement and the three levels of required professional training for all FSOs, was the major result of the review's conclusions, but FSI has undertaken other course reforms to meet the delivery problem as well.

Since most of our FSOs now go overseas with no training in the area they are supposed to interpret and analyze, we face a serious risk to the stable of in-depth area knowledge and communications effectiveness that is one of the traditional strengths of the Foreign Service. To address this problem FSI has created a more challenging and country-specific set of area courses which are now integrated with the basic language training that all of our officers take several times during their careers.

To allow more Foreign Service staff and family members to get basic language and relevant area orientation (aimed at living in a society rather than analyzing it), FSI is also developing a new set of short language courses, again integrated with area orientation, for all the world's major languages. This will allow many more staff members and working spouses to make the shorter investment in time required for a facility in the language and culture adequate for social and logistical requirements. These courses will be introduced in January.

An expanded junior officer course and an analytical reporting course (oddly enough the first of its kind) are now in operation. Development of the 5-month mid-level program, which we hope to offer to the first group of 60 FSO-5s next July (if OMB approves our proposal and the Congress has not rejected it) has begun but will not be completed until early next year. In the functional part of this program (economics for economic officers, political analysis for political officers, etc.) our objectives will be to deepen our officers' capacity for analysis, particularly of overseas events and to enhance their understanding of the full context of major foreign policy issues, including the United States domestic dimension. The basic vehicles will be issues and case studies with concepts, theory and topical background used to probe the meaning and trends underlying the current state of critical issues. The approach will be to analyze issues such as energy, disarmament negotiations and immigration in such depth that both broader specific understanding and the habits of rigorous thinking are imparted. A second element of the program would entail each officer's going outside his or her primary field to learn about other aspects of foreign affairs, which could be economic analysis for a consular officer or narcotics, nuclear, or administrative matters for a political officer. This is designed to fit the new emphasis on "out-of-cone" assignments to prepare better generalists and to serve the Department's need for more substantive depth in non-traditional functions. The third segment of the program, the only one to be a common experience for all officers, would provide

training in mid-level management as well as the specific requirements for bureaucratic effectiveness in a complex Washington environment.

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**181. Letter From the Under Secretary of State for Management (Read) to the Director of the Office of Management and Budget (McIntyre)<sup>1</sup>**

Washington, October 6, 1980

Dear Jim:

I am writing to provide the views of the Department of State on H.R. 6790, *an enrolled bill* to “promote the foreign policy of the United States by strengthening and improving the Foreign Service of the United States, and for other purposes.”<sup>2</sup>

The enrolled enactment represents the culmination of a two-year effort by the Administration to obtain legislation that will serve for the Foreign Service as a landmark comparable to the Civil Service Reform Act of 1978. The last comprehensive revision of Foreign Service legislation was contained in the Foreign Service Act of 1946. While many of the concepts embodied in the 1946 Act remain valid, H.R. 6790 builds on those basic concepts in ways that will substantially improve the efficiency and the effectiveness of the Foreign Service. In particular:

—It provides a clear distinction between Foreign Service and Civil Service employment, and eliminates the anomalous “domestic” Foreign Service personnel category;

—It simplifies and rationalizes the various categories of Foreign Service personnel, and authorizes a single Foreign Service salary schedule to be established by the President;

—It makes more uniform the statutory terms and conditions of Foreign Service employment among personnel categories and provides for maximum compatibility among the agencies employing Foreign Service personnel;

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 7, Chron October 6–10, 1980. No classification marking.

<sup>2</sup> H.R. 6790 was introduced on March 12. The Senate and House agreed to the conference report on September 30 and October 1, respectively. The bill was not enrolled until October 8.



—It establishes a Senior Foreign Service comparable to the Senior Executive Service, with rigorous entry and retention standards based on performance, and with performance pay for outstanding service;

—It provides a statutory basis for labor-management relations in the Foreign Service, strengthens individual employee rights in ways consistent with the Civil Service Reform Act, and gives renewed emphasis to the principles of equal employment opportunity; and

—It strengthens the criterion of quality performance as the basis for retention and advancement at all ranks in the Foreign Service, with decisions based on the comparative judgments of independent selection boards, and encourages a regular flow of recruitment, advancement and attrition in the officer corps to assure continuous improvement and vigor.

A draft bill for these purposes was transmitted to the Congress by Secretary Vance on May 19, 1979, on behalf of the Administration. After intensive deliberations by three committees of Congress and spirited debate on a number of issues in both the House and the Senate, the measure that has finally emerged contains all of the authorities requested in the Administration's proposal. Several additional noteworthy issues were raised in the legislative process. These issues and their disposition are described below. A more complete analysis of the enrolled bill is enclosed.

#### *Inspector General*

Section 209 departs from the Administration proposal by conferring on the Inspector General of the Department of State and the Foreign Service authorities and responsibilities similar to those conferred on other agency Inspectors General by the Inspector General Act of 1978 (P.L. 95–452).

#### *Chief of Mission Appointments*

Section 302 requires that nominations of chiefs of mission be accompanied by a report to the Senate Foreign Relations Committee on the nominee's demonstrated competence. It also requires advance reports to that committee before the President confers the personal rank of ambassador on any individual.

#### *Pay*

Section 403 authorizes the President to establish the salaries for a nine-class Foreign Service Schedule.<sup>3</sup> The conference report makes clear that this provision represents acceptance by the Congress of the compromise pay schedule approved by the President last month.<sup>4</sup> Section

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<sup>3</sup> Telegram 263626 to all diplomatic and consular posts, October 2, discusses the "New F.S. Pay Schedule." (National Archives, RG 59, Central Foreign Policy File, 1979)

<sup>4</sup> Not found.

2101 makes this new pay schedule effective from and after the beginning of the first pay period in October 1980.

#### *Retirement Benefits for Former Spouses*

Sections 806 and 814 go beyond the Administration's proposals to provide pursuant to court order for the sharing of retirement annuities with, and conferral of survivor benefits on, former spouses of Foreign Service personnel. The bill provides for pro rata shares of these benefits for a former spouse who was married for ten years or more during an employee's service, based on the number of years of marriage in relation to the length of the employee's career. This formula, however, may be altered by agreement between the parties or by a court order at the time of divorce. Moreover, the formula will be applicable only in the case of divorces occurring after the bill's effective date.

#### *Mandatory Retirement*

Section 812 retains the feature of a mandatory retirement age for the Foreign Service, as proposed by the Administration, but increases the mandatory retirement age from 60 to 65.

#### *Mandatory Conversion*

Section 2104 preserves the Administration proposal for mandatory conversion to the competitive service within three years of those employees who are presently in the Foreign Service personnel system, but who are available to serve only in the United States. The committee of conference rejected a Senate amendment which would have undercut this central feature of personnel reform by permitting domestic employees of the International Communication Agency to remain in the Foreign Service until they voluntarily converted to the competitive service or left their positions with that agency.

#### *Overseas Differentials*

Sections 2309 and 2311 provide authority for increasing the present maximum 25 per cent overseas differential which may be paid to Government employees who are assigned to foreign areas. Section 2309 authorizes a supplemental differential of up to 15 per cent of pay at posts where adverse conditions warrant an additional recruitment and retention incentive; section 2311 authorizes a danger pay allowance of up to 25 per cent at posts where wartime conditions threaten physical harm or imminent danger to health or well being. Authority to pay these new benefits is discretionary, and they may not be paid simultaneously so as to increase an employee's basic pay by more than 25 per cent.

#### *Cost Estimate*

At this point our best estimate of the costs of implementing H.R. 6790 with respect to appropriation requirements of the Department

of State, and without regard to inflation after fiscal year 1982, are as follows:

	FY 1981	FY 1982 and beyond (in millions)
Salary comparability and related items	\$ 22.5	\$ 24.2
Allowances and miscellaneous items	2.5	3.6
Appropriations to FS Retirement Fund	12.0	12.2
	<hr/>	<hr/>
Totals	\$ 37.0	\$ 40.0

*Recommendation*

The Department of State recommends that the President approve the enrolled bill with an appropriate statement and ceremony to commemorate this major legislative accomplishment of his Administration.<sup>5</sup> The signing of this bill gives the President an opportunity to reaffirm his commitment to personnel reform and effective and efficient government, and to demonstrate his recognition of the unique contributions and sacrifices made by the men and women of the Foreign Service. In this regard, we have transmitted under separate cover a favorable report and recommended signing statement on the proposed Hostage Relief Act of 1980 (H.R. 7085, an enrolled bill).<sup>6</sup> That bill provides a variety of desirable benefits for American hostages captured in the attacks on United States embassies abroad, many of whom are members of the Foreign Service. Several members of Congress were instrumental in the passage of both bills, and we believe a ceremony for the signing of these two bills would be highly desirable. We would be pleased to coordinate with the White House staff on contingency arrangements for such a ceremony.

Sincerely,

**Ben H. Read<sup>7</sup>**

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<sup>5</sup> A proposed signing statement is attached but not printed.

<sup>6</sup> Not found.

<sup>7</sup> Read signed “Ben” above this typed signature.

## Enclosure 1

### Paper Prepared in the Department of State<sup>8</sup>

Washington, undated

#### *SUMMARY ANALYSIS OF THE FOREIGN SERVICE ACT OF 1980*

The Act is divided into two titles. Title I, made up of eleven chapters, is a permanent body of law concerning the Foreign Service personnel system. Title II, made up of four additional chapters, contains transitional and technical provisions, and amendments to and repeals of other laws. The Act's provisions are summarized below.

#### TITLE I—THE FOREIGN SERVICE OF THE UNITED STATES

##### Chapter 1—GENERAL PROVISIONS

Chapter 1 contains a statement of findings and objectives, definitions, a description of Foreign Service personnel categories and functions, and a statement of the rights and protections of Foreign Service personnel. The statement of objectives reaffirms the principles of merit and impartiality set out in the 1946 Act, and refers as well to the current objectives. The definitions are primarily adapted from the 1946 Act.

The description of Foreign Service personnel categories omits the previous distinction between "Reserve officers" and "Staff officers and employees." The bill seeks to avoid distinctions which imply preferential status to one category or another, and refers to Foreign Service personnel throughout as "members of the Service" rather than as "officers" and "employees." The description of functions of the Service includes reference to the Vienna Conventions on Diplomatic and Consular Relations, which are codifications of modern international practice. It also contains a new reference to the role of the Service in providing guidance in the field of foreign relations.

A final section in the chapter emphasizes employee rights, drawing together and emphasizing current law with respect to the applicability of merit principles, protection against discrimination and reprisals for members of the Service, and equal employment opportunity.

##### Chapter 2—MANAGEMENT OF THE SERVICE

Chapter 2 begins by identifying the officers who have primary responsibility for the management of the Service. Chief among these

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<sup>8</sup> No classification marking.

is the Secretary of State, who is responsible for administration of the Service under the direction of the President. It notes that there are certain functions that only the Secretary of State may perform, which are expressly vested in the Secretary of State by the Act, e.g., issuance of government-wide regulations, administration of the Foreign Service Retirement and Disability System, and designation of posts as diplomatic or consular in nature.

The Act also authorizes the Director of the International Communication Agency, the Director of the United States International Development Cooperation Agency and, in more limited fashion, the Secretaries of Agriculture and Commerce (and other agency heads when authorized by law) to utilize the provisions of the Act for their Foreign Service personnel. Chapter 2 incorporates existing law on the authority and responsibilities of chiefs of diplomatic missions with respect to government agencies and personnel, which has not previously been a part of the Foreign Service Act.

Chapter 2 requires that the Foreign Service be administered so as to assure maximum compatibility among agencies authorized by law to utilize the Foreign Service personnel system. It encourages among such agencies the development of uniform policies and procedures and consolidation of personnel functions. It continues the existing statutory directive for compatibility between the Foreign Service and other Federal government personnel systems.

This chapter also provides a statutory basis for two officers who will have significant roles in the administration of the Foreign Service. These are the Director General and the Inspector General, both of whom are to be appointed by the President, by and with the advice and consent of the Senate. The Director General is to assist the Secretary generally in the management of the Service, including interagency coordination. The Inspector General will inspect the operations of posts abroad and offices and bureaus in the Department of State, as well as carrying out functions assigned to Inspectors General in most other departments under the Inspector General Act of 1978.

Chapter 2 also provides that the President will establish an inter-agency Board of the Foreign Service to advise the Secretary on matters relating to the Service, including matters concerning interagency compatibility. The Board will be chaired by a career member of the Senior Foreign Service, and will include one or more senior representatives of concerned federal agencies.

Finally, this chapter provides for a Board of Examiners for the Foreign Service to develop and supervise examinations to be given candidates for appointment in the Service. The Board is required to review examinations periodically for possible bias and to report its findings annually to the Secretary of State. It will have at least five

members from outside the government chosen for expertise and knowledge in the fields of testing or equal employment opportunity.

### Chapter 3—APPOINTMENTS

Chapter 3 provides the authority for appointments in the Foreign Service, and describes the types of appointments which can be made. Appointment as a chief of mission, ambassador-at-large, minister, career member of the Senior Foreign Service (SFS) or Foreign Service officer (FSO) may be made only by the President, by and with the advice and consent of the Senate. Other appointments in the Service may be made by the Secretary; these include limited SFS appointments, FSO candidates, and appointments (limited and career) of all other American and foreign national personnel.

This chapter is intended to strengthen the career nature of the Foreign Service. In particular, it limits non-career membership in the Senior Foreign Service to not more than five percent, and retains the present maximum of five years on limited appointments to the Service.

Chapter 3 strengthens previous expressions of Congressional policy on the desirability of appointing career Foreign Service personnel as chiefs of mission. It also requires additional reporting to Congress on the qualifications of prospective ambassadors, on steps taken to gain needed language competence, and on designations of individuals to serve with the personal rank of ambassador.

All candidates for career appointments must first serve under limited appointments (as is now the case for Foreign Service officers and Reserve officers). The duration of these probationary periods will vary, but may not exceed five years. For the Senior Foreign Service, they will be at least four years. Records of performance by career candidates will be reviewed by boards composed primarily of career personnel before career appointments are granted. Retired members of the Service may be recalled and former career members may be reemployed without undergoing this process.

### Chapter 4—COMPENSATION

Chapter 4 governs the basic salaries of Foreign Service personnel, as well as additional compensation based on performance or conditions of service. Chiefs of mission will continue to receive salaries at one of the annual rates specified for levels II through V of the Executive Salary Schedule. However, career SFS personnel who are appointed as chiefs of mission may elect to continue to receive their normal Foreign Service salary and continue to compete for performance pay.

The President will establish a salary range for the SFS comparable to the salaries established by the President for the SES under the Civil Service Reform Act. Below this level, a single nine-class Foreign Service

salary schedule for American personnel will supersede the two overlapping schedules that now exist for Foreign Service officers and Reserve officers on the one hand and staff officers and employees on the other. Linkages to the General Schedule will be set by the President. Within-class salary increases, if performance is satisfactory, will be annual for steps 2–10 and every two years for steps 11–14. Provisions are included for use of multiple step increases for outstanding performance, and for withholding them for mediocre performance. Foreign national employees and consular agents will be paid on the basis of locally prevailing compensation practices.

Members of the SFS will be appointed to a salary class, and their promotions will be effected by reappointment to a higher class. Foreign Service officers below the senior threshold, however, will be assigned to an appropriate salary class by the Secretary, and their promotions will be effected without interruption in their Presidential appointments. This change will permit all Foreign Service personnel of comparable rank who are promoted to have their salaries adjusted at the same time under a single procedure.

Chapter 4 establishes a performance pay plan for the SFS similar to that provided by the Civil Service Reform Act for the SES. Recommendations concerning awards of performance pay will be made to the Secretary by selection boards. Additional awards for especially meritorious or distinguished service may be made by the President, as is the case for the SES.

The bill retains the prohibition on premium pay for FSOs, but has new provisions which permit compensatory time off, and which require a report to Congress if any limitation is contemplated on the special differential in lieu of overtime, in terms of numbers eligible or amounts paid.

#### Chapter 5—CLASSIFICATION OF POSITIONS AND ASSIGNMENTS

Chapter 5 continues the existing authority of the Secretary to classify Foreign Service positions in the Department and at posts abroad, and to assign Foreign Service personnel to those positions. A new subsection requires that members of the Service not be assigned to a post in a particular geographic region solely on the basis of race, ethnicity, or religion.

This chapter also facilitates interchange with the Civil Service by authorizing the assignment of non-Foreign Service personnel to Foreign Service positions for specified tours of duty and the assignment of Foreign Service personnel to Civil Service positions. A new feature of the bill is a limitation of four years on the assignment of members of the Foreign Service to non-Foreign Service positions.

Chapter 5 retains the existing eight-year limitation on the assignment of Foreign Service personnel to duty within the United States, but allows for shorter periods to be set for specific groups by regulation. In addition, it requires that all career Foreign Service personnel accept the obligation to serve abroad as a condition of employment.

At the same time, the bill recognizes the need for periodic service by Foreign Service personnel within the United States. It directs the Secretary to seek to assign all career personnel in the Service to duty within the United States at least once during each fifteen years of service.

### Chapter 6—PROMOTION AND RETENTION

Chapter 6 retains the basic concepts of promotion and retention in the Foreign Service based upon demonstrated merit.

This chapter extends the Selection Board process (now applicable by statute only to Foreign Service officers) to all American personnel. Selection Boards, which must include public members, women and members of minority groups, will rank the members of each class on a comparative basis for purposes of promotion, award of performance pay, retention in the senior ranks, and separation of members whose performance falls below the standard of their class.

Chapter 6 also specifically provides a rigorous threshold for entry into the Senior Foreign Service and authorizes the Secretary to prescribe the period during which members of the Service may be considered for entry into the SFS. Promotions into the SFS must be based upon long-term projections of personnel flows and needs designed to provide more predictable recruitment, advancement and career development. A report to Congress on steps taken to insure this predictable flow is required annually.

This chapter continues the authority for retirement based on expiration of time-in-class and extends that authority to all members of the Service who receive salaries comparable to those of Foreign Service officers and who are in occupational categories designated by the Secretary. It eliminates the exemption of those in the top rank from the time-in-class limitations, while providing that those members whose maximum time-in-class expires after they have attained the highest class for their respective personnel categories may continue to serve under renewable limited extensions of their career appointments. At the same time, it provides protection against politicization by statements of Congressional purpose, that time in each senior class before the extension mechanism comes into play shall not be less than 3 years. The grant and any renewal of such an extension would be in accordance with Selection Board recommendations.

Chapter 6 continues the Secretary's authority to separate a member of the Service for cause, after a hearing. The bill provides that such a



hearing will be conducted by the Foreign Service Grievance Board, which will assure appropriate due process protections. This hearing would be in lieu of any other administrative procedure.

This chapter also directs the establishment of a Foreign Service awards system to supplement the Government-wide incentive awards program and to recognize exceptional service to the nation by members of the Foreign Service.

#### Chapter 7—FOREIGN SERVICE INSTITUTE, CAREER DEVELOPMENT, TRAINING AND ORIENTATION

Chapter 7 continues the authority of the Secretary to maintain the Foreign Service Institute and to provide training and counseling. This chapter makes only minimal changes from existing law, but adds a strong new section requiring systematic career development programs for members of the Service. Primarily, it vests authority for the operation of the Institute in the Secretary of State, consolidates in a single chapter various existing authorities for training, career development and counseling, and makes explicit reference to training for family members of Foreign Service personnel.

#### Chapter 8—FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

Chapter 8 continues the Foreign Service Retirement and Disability System as it has existed under Title VIII of the 1946 Act, and incorporates voluntary and mandatory retirement features now in Title VI of that Act, except that the mandatory retirement age becomes 65 on the date of enactment. Those reaching age 60 on or after October 1, 1981 will be covered by this new provision. Changes have been made primarily in style and terminology, and to maintain existing conformity of the Foreign Service Retirement and Disability System. Recent statutory changes to the latter system have been incorporated into the bill in accordance with existing law authorizing such conforming changes.

New provisions have been added to protect the interests of former spouses. Specifically, the Act provides for an automatic pro rata division of retirement annuities and retirement benefits for qualifying former spouses (those married for 10 years or more while the employee was in the Service), unless a court orders a different division within one year of the divorce. This provision will apply only in the case of those who become former spouses after the effective date of the Act. In a related provision, an individual who, prior to the effective date, has a former spouse, may elect to provide a survivor benefit for that former spouse (Sec. 2109). Finally, a spousal agreement may be entered into by affected parties with respect to their respective rights under

chapter 8. Such an agreement will be given the same effect as a court order, so the parties may adjust their respective rights without the necessity of obtaining such an order.

#### Chapter 9—TRAVEL, LEAVE AND OTHER BENEFITS

Chapter 9 continues the Secretary's authority to pay travel and related expenses, and to provide for home leave and health care for Foreign Service personnel and their families. The following new discretionary authorities have been added:

- Authority to pay relocation allowances to members of the Foreign Service on domestic transfers.

- Authority to grant an additional R&R trip in extraordinary circumstances.

- Authority to authorize travel for a child when a parent is medically evacuated and the child is unable to remain at post alone.

- Authority to provide one round-trip per year between post abroad and nearest port of entry in the U.S. for children of divorced member of the Service to visit the parent with whom they do not normally reside.

- Authority to authorize travel for family to accompany members on extended travel orders, whether or not such travel is in connection with a reassignment.

- Provision for payment of representation allowance to family members when authorized, as well as to employees.

#### Chapter 10—LABOR-MANAGEMENT RELATIONS

Chapter 10 draws from the existing system in the Foreign Service established by Executive Order 11636<sup>9</sup> as well as Title VII of the Civil Service Reform Act which governs Labor-Management relations in the Civil Service. This chapter authorizes collective bargaining on conditions of employment in the Foreign Service, subject to certain excluded areas of management rights comparable to those matters excluded from bargaining under Title VII. This chapter continues the present arrangement of a single agency-wide bargaining unit, and the inclusion of many employees who perform supervisory functions.

Chapter 10 establishes a Foreign Service Labor Relations Board, as an entity under the Federal Labor Relations Authority, to manage this new statutory program. The Board would be chaired by the Chairman of the Federal Labor Relations Authority and would have two public members appointed from nominees approved by the agencies and the

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<sup>9</sup> See footnote 4, Document 164.

exclusive representatives. In addition to the Board, Chapter 10 would retain the disputes panel as constituted under E.O. 11636. However, a major difference is the authority of the panel to make final and binding decisions on negotiation impasses. This chapter also introduces a new, independent third party, the General Counsel of the Federal Labor Relations Authority. The General Counsel would investigate alleged unfair labor practices and would file and prosecute such complaints. The chapter also provides for appeals to the Foreign Service Grievance Board, under negotiated procedures, in disputes arising out of the implementation of collective bargaining agreements.

### Chapter 11—GRIEVANCES

Chapter 11 follows the major features of the 1946 Act for the resolution of grievances by individuals within the Foreign Service, including appeals from internal agency procedures to the independent Foreign Service Grievance Board. The Board has broad authority to establish its own procedures (which must include a hearing in any case involving separation or other disciplinary action), compel the production of evidence and the attendance of witnesses, and direct remedial action by the Department.

The chapter provides that every grievant has a right to representation of his or her own choice, both at the agency level and before the Grievance Board. The exclusive employee representative, however, is allowed to appear at all grievance proceedings involving members of the bargaining unit.

Also added is the authority of the Grievance Board to direct payment of reasonable attorney fees as may be required by Section 7701(g) of Title 5, United States Code. Deleted from chapter 11 is the authority of the Secretary to reject a recommendation of the Grievance Board on grounds that the recommendation would substantially impair the efficiency of the Service.

## TITLE II—TRANSITION, AMENDMENTS TO OTHER LAWS, AND MISCELLANEOUS PROVISIONS

### Chapter 1—TRANSITION

Chapter 1 governs the transition of all Foreign Service personnel to the new categories and salary schedules established by Title I of the bill. For pay purposes, all FSO, FSR, FSRU and FSS personnel will be paid as if converted to the new pay schedules, effective the first day of the first pay period beginning after October 1, 1980. It provides that on the effective date of the Act (February 15, 1981) personnel who are already obligated to worldwide availability will convert automatically to the Foreign Service schedule or have the option to join the Senior Foreign Service, depending on their current rank. Personnel not so

committed will convert only after they have undertaken an obligation to serve abroad and the Department has certified that there is a need for their services in the Foreign Service. Those “domestic” personnel who are not converted to one of the new Foreign Service categories will be converted into the Civil Service without loss of salary or grade, within 3 years, or otherwise leave the Foreign Service.

This chapter provides that all conversions will be without loss of salary or grade (including protection from downgrading as long as not voluntarily leaving one’s current position), and that persons covered by the Foreign Service Retirement and Disability System may elect to continue to participate in that system.

The Act’s provisions for conversion of “domestic” Foreign Service personnel to Civil Service status will be deferred with respect to the International Communication Agency (ICA), until July 1, 1981, in view of a pre-existing agreement with the labor organization representing the employees who would otherwise be affected on the effective date.

#### Chapter 2—AMENDMENTS RELATING TO FOREIGN AFFAIRS AGENCIES

Chapter 2 contains amendments to statutes concerning the Foreign Affairs agencies required by Title I of the bill. These include the relocation of provisions in the 1946 Act which deal with subjects other than Foreign Service personnel, such as the State Department’s authority to accept gifts. This chapter also contains conforming amendments to the authority of other agency heads to utilize the Foreign Service personnel system. In addition, it modifies the basic authority of the Department to allow payment of additional subsistence expenses of security officers on authorized protective missions, and members of the Foreign Service and Department generally when required to spend extraordinary amounts of time in travel status. This chapter also contains necessary conforming amendments to other laws relating to Foreign Service personnel, e.g., the Peace Corps Act and the Arms Control and Disarmament Act.<sup>10</sup> The Peace Corps will continue to be authorized to use Foreign Service personnel authorities for its headquarters staff. A new provision requires the Secretary to designate at least two Foreign Service posts or model Foreign competence posts.

#### Chapter 3—AMENDMENTS TO TITLE 5, UNITED STATES CODE

This chapter contains a number of amendments to laws applicable to the Government as a whole as they relate to the Foreign Service. These changes include explicit reemployment rights for employees of

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<sup>10</sup> P.L. 87–293 and P.L. 87–297, respectively.

any agency who accept limited appointment in the Foreign Service, provision of a statutory salary base for Ambassadors at Large, authority to pay advance pay upon any departure from an overseas post when the Secretary determines this to be in the national interest (rather than as currently, only when an evacuation is ordered), authority to pay a separate maintenance allowance at the request of a member of the Service, rather than, as presently, only for the convenience of the government. This chapter also extends to the Foreign Service provisions of existing law regarding attorney's fees in unfair labor practice and grievance cases, and conforms accumulation of SFS annual leave with the exemption for SES personnel.

For posts where a special incentive for service is determined to be necessary due to especially adverse conditions, the post differential could be as high as 40% of base pay, rather than the current 25% ceiling. A separate new allowance authority would allow a danger pay allowance of up to 25% of base pay, at posts where civil insurrection, civil war, terrorism, or wartime conditions threaten physical harm or imminent danger. However, the increased post differential and danger pay could not be paid simultaneously.

#### Chapter 4—SAVING PROVISIONS, CONGRESSIONAL OVERSIGHT AND EFFECTIVE DATE

Chapter 4 provides that actions taken under the authority of the Foreign Service Act of 1946 or any other law repealed, modified, or affected by the new Act shall continue in full force unless modified or revoked by current authority. It requires annual reports on steps taken to insure maximum compatibility among agencies employing the Foreign Service personnel system, on conversion of individuals under the Act, concerning the upper and lower limits planned by each agency for recruitment, advancement and retention of members of the Service, for each of the five succeeding years, and the number, names and grades of members of the Service assigned more than one grade higher or lower than personal rank. Finally, it provides that the effective date of the new Act will be February 15, 1981, with certain limited exceptions. These exceptions include: mandatory retirement age is raised to 65 on date of enactment; pay under the new FS schedules begins with the first pay period beginning after October 1, 1980; the five per cent limitation on non-career SFS members for Commerce is deferred until October 1, 1985, with a maximum of ten non-career SFS members in Commerce in the interim; and personnel actions (e.g., awards of performance pay for SFS) may take place on basis of the current evaluation cycle, as if the Act had been in effect at the beginning of that cycle.

## 182. Paper Prepared by the Professional Development Committee<sup>1</sup>

Washington, October 10, 1980

### *LANGUAGE TRAINING IN THE CAREER DEVELOPMENT PACKAGE*

The question has been raised whether the Department's career development and training package would be stronger if it included more emphasis on language training for FSOs—an area often highlighted by the Department's public and Congressional critics. This paper examines what our real needs are with regard to FSO language training and suggests some possibilities for giving additional emphasis to language training for FSOs in the package.

#### *Background*

Our language requirements for FSOs are three:

1. Survival level for all.
2. At least minimal professional facility (S-3/R-3 on FSI's scale)<sup>2</sup> for officers in language-designated positions (LDPs)—mostly political, economic and program direction positions.
3. Competence beyond 3/3 for the most demanding positions. We are basically in good shape with regard to the second requirement. Our current 73% compliance rate in filling "LDP" positions is not far from the optimum we can expect through training, given the complexities of the assignment system. On the first and third requirements we do less well and improvement is necessary.

Our current career development and training packages include 45 positions (30 in '82, 15 in '83) to give Familiarization and Short-Term (FAST) courses to virtually all Foreign Service Staff personnel, but not to FSOs. We estimate that of the FSOs assigned each year to non-LDP positions, 275 arrive at foreign language posts without any knowledge of the language. One hundred eighty-five of these officers go to posts having languages that are included in the 14 FAST courses now under development. We estimate it would require 40 student/years (posi-

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 7, Chron October 11–18, 1980. No classification marking. Printed from a copy bearing Read's stamped initials. The Professional Development Committee was established by Read to review the Department's career development and training. See Document 180.

<sup>2</sup> These indicate proficiency in speaking and reading a foreign language. On a scale of 0 to 5, a 3/3 indicates general professional proficiency for speaking and reading.

tions) to give FAST courses to *all* FSOs who now get no language training.

In addition, enhanced training for officers going to LDPs is clearly needed in order to make them more effective in a timely manner. We know that some officers in reporting and analysis positions, as well as key senior officers, need language proficiency at the 3+ or 4 level.

These needs suggest the following objectives for an amended foreign language component of a career development and training package.

#### *Objectives*

1. To give *all Foreign Service personnel* at least a social/survival level of competence in the language of the post of assignment.

2. To give *employees in language-designated positions* a level of competence equal to the requirements of the position.

3. To give *officers in key positions* a level of competence approaching Full Professional Proficiency (4/4). We could meet these objectives by a phased program beginning in FY '81, and fully implemented by FY '83:

##### *A. FY '81*

1. Develop and introduce 14 FAST courses (6 and 10 weeks) for voluntary participation of Foreign Service Staff personnel, dependents, and FSOs in non-LDPs.

2. Encourage employees to achieve high levels of competence in designated hard languages (those on incentive language list) through a system of bonus payments equal to 10% of salary for 3/3 and 15% for 4/4 (implementing regulations will be promulgated momentarily and PER will amend its FY '81 financial plan to include \$300,000 for this purpose).

##### *Resource Requirements (from PPG)*

Positions: None

Operating funds: \$40,000

##### *B. FY '82*

1. Assign FSSs and FSOs going to non-LDPs at posts where the 14 languages are used, to FAST courses, unless this causes schooling problems for families which would not otherwise arise (see below). Where posts and employees seek a "waiver", it should be granted.

2. Improve percentage of students who achieve 3/3 in full-time language training through improved materials and methodology.

3. Enhance training beyond the 3/3 level for some officers through the following means:



a. Establish course objectives of 3+/3+ for above-average students in full-time training; develop job-related content materials beyond 3/3 in designated critical languages.

b. Provide periods of advanced in-country language training for key officers in hard languages.

c. Provide training beyond 3/3 in post language programs for officers in key positions; support training through increased supervision and assistance by Regional Language Supervisors.

d. Expand incentive language bonus program to include additional hard languages (PER would need \$350,000 in FY '82 for this second phase).

*Resource Requirements above current proposal to OMB*

Positions: 15 student/years (for FSO FAST training in 14 languages)

Operating funds: \$130,000 (which was taken from FSI's FY '81 base in our surgery resulting from the Congressional 5% cut of the Department's appropriation) Although some funds requested in FY '82 budget are designated for training beyond 3/3, without restoration of these funds the effort is under-funded.

*C. FY '83*

1. Develop 16 more FAST courses

2. Routinely assign *all* Foreign Service employees going to foreign language posts and not getting longer language courses, to FAST courses, unless this causes schooling problems which would not otherwise arise (see below).

3. Further ensure achievement of competence above 3/3 by developing advanced materials in additional languages.

*Resource Requirements*

Positions: 15 (for FAST training)

Operating funds: \$150,000 (for preparation and conduct of additional FAST courses)

*Problem in full implementation*

A serious obstacle to making FAST courses mandatory for *all* personnel is the problem of adequate time between posts of assignment for all employees with school age children and moving during the summer cycle. Although the 6-week hard language courses can probably be worked into transfer plans, some employees will find it difficult or unacceptable to disrupt schooling for their children in order for them to enroll in 10-week world language courses.

*Proposed Solution*

That employees with school age children who cannot be enrolled in 10-week FAST courses without interruption of children's education



be assigned to course only if they request it. This is estimated to affect an average of 50 employees per year (or 10 person/years of training).

*Decision for Department Management*

For FY '82, all the courses and much of the instruction cost are already in the current proposal to OMB. However, 15 additional training positions would be needed (and 15 more in FY '83) if the Department were to amend career development and training plans to include the language training objectives presented above.

*Alternative to Recommend Course*

Open 14 planned FAST courses to FSOs on an "as-requested" basis only.

Estimated cost: about 10 positions.

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**183. Statement by the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, October 23, 1980

FOREIGN SERVICE ACT OF 1980

The purpose of this meeting today is your questions not our orations. But as a fellow with only 12 more days of assured job security ahead<sup>2</sup> and somebody who has invested a fair amount of time and passion in what we've brought to life here, I want to ask your indulgence to let me look back to start with because it has been an extraordinary process.

Every Washington critic knows that the last day of Congress shortly before a closely contested Presidential election is not the time to expect final passage of a complex 250-page bill to provide a long-term charter for an essential but relatively small and not uncontroversial arm of the Federal establishment.

Particularly so when that arm is normally perceived as not having its own natural domestic constituency. All the more so when the meas-

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 7, Chron October 20–25, 1980. No classification marking. Read spoke at an open meeting for Department of State employees in the Dean Acheson Auditorium. (Department of State *Newsletter*, November 1980, p. 2)

<sup>2</sup> Reference to the November 4 Presidential election.

ure must have strong bipartisan support to survive, and final passage requires reversal of positions taken earlier by both House and Senate on recorded roll call votes. It's not exactly a winning combination. But that's what happened and happened by large majorities in both chambers.

And last Friday, October 17, President Carter signed into law the Foreign Service Act of 1980, which is now 96-465. The President said that he took great pride in signing the measure. "It is a modern charter well designed to meet the needs of the dedicated, able men and women of the Foreign Service of the United States in the decade ahead".<sup>3</sup>

Indeed it is and indeed you are. And many people, here and elsewhere, can share that sense of pride if we will be permitted to indulge it just for a moment.

In a time of wide disillusionment with Government and politics, this legislation represents a classic illustration, in my view, of constructive Foreign Service, Departmental, Executive and Legislative Branch actions in the public interest.

I was asked by a friend just last weekend if I had to rate the Foreign Service Act on a scale of 1 to 100 in terms of what came out compared to what went in 16 months ago, what score I would give it. And I said I would give it a score of 150 because it came out a great deal better than it went in. And that doesn't often happen, as you well know.

For that, primary thanks are due to many of you in this room and to some extraordinarily gifted legislators who are staunch friends of this Service: Dante Fascell, John Buchanan, Pat Schroeder, Jim Leach; on the Senate side, Claiborne Pell, Chuck Percy, just to mention a few, and their talented committee and personal staff members who spent literally hundreds of hours on this measure.

They, in turn, received much wider support. And several times Secretary Muskie lent powerful assistance in helping us break through that September-October scheduling log jam and on many other occasions as did former Secretaries Vance and Kissinger from the earliest stages.

And the bill that was introduced was itself vastly improved over the initial plans approved by Secretary Vance just about two years ago at this time by a strenuous eight-month participatory process of debate and exchange in which everyone on this platform and many members of the Service in Washington and all posts engaged with gusto and with remarkable goodwill and good humor.

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<sup>3</sup> For Carter's signing statement, see *Public Papers: Carter, 1980-81*, Book III, pp. 2328-2329.

The whole effort, I think it's fair to say, became a truly impressive and, perhaps, unique Foreign Service community-wide enterprise.

In my view, the institutional and individual gains contained in this legislation are of basic and equal importance. Let me only refer to some essentials.

For the institution, the Act:

- resolves a debilitating 30-year dispute by its acceptance of and clear distinctions based on availability for worldwide service between the Department's dual Foreign Service/Civil Service systems to the benefit of both;

- links recruitment, tenure, advancement, pay and retention in the Foreign Service more closely than ever before to performance as determined by impartial public and private selection boards for all members of the Service following periods of transition from the most senior to the most junior, regardless of specific roles and occupations;

- directs the institution forthwith to institute improved and comprehensive professional training and development programs for all members of the Service and their families;

- facilitates sound management by simplification of our personnel system which had become grotesquely complex over the years;

- marks a significant turn from the organizational fragmentation that has occurred during recent and not so recent years to greater compatibility among the Foreign Affairs agencies under a new codified common body of law; and, finally,

- makes it more likely that the Service, with the vital new legislated reward and support systems, will continue to be able to staff the country's overseas missions in the years ahead even under increasingly adverse and stressful external circumstances.

For individuals, the Act:

- places labor-management relations for the first time on solid statutory grounds;

- eliminates many of the arbitrary old inequitable and invidious distinctions between personnel categories in this gifted community;

- includes important enhancement of merit principles and restatement of them and safeguards against personnel abuses and politicization;

- sets new pacemaking standards for equal opportunity and affirmative action to help achieve a Service truly representative of the American people;

- recognizes in tangible form the uniquely important role of Foreign Service families; and, finally,

- provides a large measure, long overdue, of pay comparability and authorizes important new allowances.

No legislation can be a panacea for all our complex institutional and individual problems, and this is no exception. It was never intended to be. And no legislation is better than its implementation.

Much work has been done to prepare for full implementation of this Act by next February 15. And we are prepared to discuss those steps today. But much, much more remains to be done.

We want to ensure the widest possible Foreign Service involvement in that process because it will set important precedents for the future. There will be differences of view, of course. But we should approach them, I hope and urge, with the same spirit of openness and cooperation that has marked this endeavor.

For this new law gives all of us, managers and employee representatives alike, a very rare opportunity, only the third in this century. If we, and our successors on both sides, have the wits and the diligence, and it's going to take both to implement this law wisely and in the national interest, it will greatly strengthen a proud and essential profession, the Foreign Service of the United States. Thank you.

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**184. Action Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) and the Director of the Foreign Service Institute (Boeker) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, December 18, 1980

**SUBJECT**

Implementation of Career Development and Training Package

The President's favorable decision on inclusion of the career development and training package in the proposed budget for FY '82 takes us past the critical test we initially saw as clearing the way for implementation of the proposal (in particular for scheduling the mid-level program and assigning people to it). The transition team has indicated that the career development and training package is likely to survive

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 8, Chron December 22–31, 1980. No classification marking. Drafted by Paul Boeker on December 17. Read wrote at the top of the memorandum: "OK, 9 new positions. BR 12/31." A typed notation at the top of the memorandum reads: "12/31—Approved."

the new Administration's review of the FY '82 budget. Therefore, while we should give the new Administration<sup>2</sup> the final word on this multi-year program, we do not want to forego any steps that are required to make full implementation possible on schedule in FY '82. This requires some resource decisions now.

In light of these considerations and our discussion of them December 16,<sup>3</sup> our plan for implementation would be the following:

*December '80*

—in the current assignment cycle designate 50–60 tenured O-6s and O-5s (with a minimum of 10 from each cone) for a first run of the mid-level program beginning in September '81; we would simultaneously do a cable to the field on the nature and objectives of the mid-level program within the context of our broader professional development goals.

—provide FSI (from reprogramming within the Department) the 11 staff positions needed to complete development of the mid-level program by September as well as \$154,000 for development costs in the second quarter.

—assign sufficient FSS personnel to new FAST language courses to achieve some overall increase in FSS language training (even though new training positions will not be available until FY '82). We have discussed a target of 40 staff people each quarter for language training, compared to about 30 at present, but the actual level will depend on what gaps prove tolerable on the line.

*February, March '81*

—if this has not been done earlier, get a final decision from the new Secretary on the plan in general and the September mid-level program in particular (if this is negative we would cancel or postpone the program and reassign the officers concerned).

*May '81*

—report to the Congress on implementation of the entire program and resources needed for FY '82 and '83, as required by the Foreign Service Act of 1980, with intensive, continuing consultations with the Hill on the whole program.

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<sup>2</sup> Ronald Reagan was elected President on November 4.

<sup>3</sup> No minutes of the meeting were found.

*September '81*

—mid-level course begins (if the new Secretary has approved).

*October '81*

—further increase assignments of FSS personnel to language training when the Congress acts on the budget, allowing establishment of training positions.

*January '82*

—senior threshold management training begins as a two-part program offered every quarter for 75 FSO-3s annually (in separate two-week and three-week segments). This is our tentative thinking at this stage.

—second run of mid-level program for 75 FSO-5s, with course repeated every 6 months thereafter, starting in January and July/August.

If you agree, FSI will need 11 positions now (described in the attachment)<sup>4</sup> to complete the staff required to develop and launch the mid-level program, as well as \$154,000 over and above our continuing resolution level to continue development through the second (January–March) quarter. (The additional funds needed in the third and fourth quarters, \$122,000 and \$45,000 respectively, will bring the total within the estimates we provided to the PPG last summer.) The 11 positions are all ones included in the 119 for the FY '82 budget and are, therefore, an advance of that portion of FSI's '82 requirements. The positions are listed and described in the attachment.

#### *Recommendations*

That you approve immediate reprogramming of 11 staff positions to FSI.

Approve\_\_\_\_\_<sup>5</sup>                      Disapprove\_\_\_\_\_

That you approve an increase in FSI's second quarter allotment of \$154,000 over the continuing resolution level, for continuing development of the mid-level program.

Approve\_\_\_\_\_                      Disapprove\_\_\_\_\_<sup>6</sup>

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<sup>4</sup> Attached but not printed.

<sup>5</sup> Read changed the number of positions to 9 and checked the "Approve" line. His initials are stamped beside the check mark.

<sup>6</sup> Read did not check either option, writing "N/A" in the adjacent margin.

# Employment Equity and Awareness at the Department of State

## 185. Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Pinckney) to the Deputy Under Secretary of State for Management (Moose)<sup>1</sup>

Washington, March 2, 1977

### SUBJECT

FSO Promotions—Comparison by Sex

Last year was the first year in which the Department made a careful statistical analysis of FSO promotions by sex—largely in response to charges of discrimination against women FSO's. We intend to make the annual analysis a regular management tool in assessing our EEO posture.

Tab A provides a 1976–7 comparison and Tab B provides details on the 1977 list.<sup>2</sup> Last year (1976) was better for women in several ways:

—Total women promoted of women eligible was 27.3% in 1976 vs. 13.5% in 1977 (for men, 19.3% this year vs. 19.7% last year).

—At all class levels except 4 to 3, 1977 percentages for women are down (for men, all down except 3 to 2 and 4 to 3).

—In all cones except Political, 1977 percentages for women are down (for men, all down except Program Direction, Political, and Specialists).

Yet, in all of our evaluations, above and below, we must remain aware that some statisticians will dismiss certain conclusions as invalid because women at certain levels and in certain categories are statistically too insignificant to be meaningful—e.g., among eligibles for promotion from 2 to 1 there were only 4 women vs. 232 men.

Nevertheless, our critics are likely to seize upon all figures and may be most inclined to attack Average Age data. By class, except for one instance (1977 6 to 5), women promotees are older than men which to some viewers is evidence of a historically slower promotion rate for women. A similar pattern emerges By Cone.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 2, Chron March 1977. No classification marking. A copy was sent to Laise.

<sup>2</sup> Not attached.

The Time-in-Class data on the surface offers some encouragement for women. Messages in recent years from the Deputy Under Secretary for Management and the Director General to Selection Boards, encouraging attention to the promotion of women, may explain the reduction of time-in-class.

We are in the process of reconstructing data on minority FSO's and hope to provide you with similar comparisons in the near future.

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**186. Action Memorandum From the Deputy Under Secretary of State for Management (Moose) to Secretary of State Vance<sup>1</sup>**

Washington, March 8, 1977

*Message from the Secretary on Equal Employment Opportunity Program*

I know that you are genuinely interested in the implementation and maintenance of an effective Equal Employment Opportunity (EEO) program. As far as we can tell, no Secretary of State has ever issued a message on this subject to the Department. Since much depends on the perception of your support for this program, I believe such a message is desirable. A draft, which has been worked on by Mike Janeway,<sup>2</sup> is attached. I recommend that you approve it.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 2, Chron March 1977. No classification marking. Drafted by Pinckney on March 2. Printed from an unsigned copy.

<sup>2</sup> Special Assistant to Secretary of State Vance.



## Attachment

### Message From Secretary of State Vance<sup>3</sup>

Washington, March 15, 1977

#### TO MY COLLEAGUES IN THE DEPARTMENT OF STATE

In my arrival message of January 24, 1977,<sup>4</sup> I assured the employees of the Department of State—men and women, Civil Service and Foreign Service, all functional specialties—of my intention to pay personal attention to their professional concerns. I am also on record expressing deep concern about human rights, abroad and at home. These commitments will find expression in a variety of ways during my tenure, including dedication to and involvement in Equal Employment Opportunity within the Department as dictated by ethics and law.

As head of this agency, I shall exercise personal leadership in prohibiting discrimination because of race, color, religion, sex, national origin, age, or handicap. I shall also exercise personal leadership in carrying out a continuing affirmative action program designed to promote equal opportunity for all applicants and all employees. I would hope that my own concern about these issues is evident in my selection of appointees for various senior positions in the Department. And, in turn, I have asked senior appointees to be similarly concerned in their own selection of personnel to aid them. But that is only a start.

As head of this agency, I expect all employees to join in active fulfillment of these commitments. Your support of moral and legal equal employment opportunity principles is assumed. I now look to your active involvement and participation in equal employment opportunity activities. The degree of your contribution will relate to the position you occupy in the Department's workforce. I shall, therefore, expect the most of Under Secretaries, Assistant Secretaries and Chiefs of Mission. But there is no employee at any level exempt from making a contribution to our overall EEO effort. To colleagues in leadership positions, I emphasize that the practice of equal employment opportunity is a vital factor in good personnel management.

Responsibility for administration of the EEO program rests with the Deputy Under Secretary for Management and the Deputy Assistant Secretary for Equal Employment Opportunity who will speak for me

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<sup>3</sup> No classification marking.

<sup>4</sup> See "Message From Secretary Vance to Department and Foreign Service," Department of State *Bulletin*, February 14, 1977, pp. 125–126.

on day-to-day EEO matters. That delegation of authority, however, in no way absolves me of leadership responsibility and I will on a regular basis monitor our efforts to make our workforce at all levels more representative of the U.S. population. We of the Department of State, working at home and abroad, are obliged to set an example of equality and human dignity for all peoples.

To assist me in initiating and carrying through affirmative action programs for equal employment, I am establishing an executive level Task Force. Its Chairman will be the Deputy Under Secretary for Management. Members of the Task Force will be the Coordinator for Human Rights and Humanitarian Affairs, the Assistant Secretary for Administration, the Assistant Secretary for Public Affairs, the Director General of the Foreign Service, the Deputy Assistant Secretary for Equal Employment Opportunity, the Administrator of the Agency for International Development, and the Director of the United States Information Agency.

**Cyrus Vance**

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**187. Note From President Carter to Cabinet Officers and Heads of Agencies<sup>1</sup>**

Washington, March 25, 1977

To Cabinet Officers & Heads of Agencies

We are all committed to a continuing effort to hire strongly representative numbers of women and minority citizens.

Please be prepared when asked to give me a report on this at all pay levels above GS 15.

**Jimmy Carter**

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<sup>1</sup> Source: National Archives, RG 59, Records of the Secretary of State, 1977–1980, Lot 84D241, Transition Odds and Ends. No classification marking. A copy was sent to Jordan. This note was handwritten by Carter.

**188. Briefing Memorandum From the Deputy Under Secretary of State for Management (Moose) to Secretary of State Vance<sup>1</sup>**

Washington, April 4, 1977

*Affirmative Action*

The President, in a note of March 25 (Tab A),<sup>2</sup> asked that Cabinet officers be prepared to give him a report on efforts to hire “strongly representative numbers of women and minority citizens” above the level of GS-15. This memorandum gives you information on the subject which can be used as talking points with the President.

A. Since the Administration took office, 35 persons have been brought into the Department above GS-15 or its equivalent, including executive level appointments. Of these new appointees, ten are women, minority or both. There are six women and seven minority appointees, of which three are minority women. A listing is at Tab B.<sup>3</sup>

B. If one focuses on the top 34 jobs in the Department—those at assistant secretary or above (including the independent, assistant secretary-level offices for Human Rights and Narcotics Matters)—eight are now filled by persons who are women or minority or both. A ninth assistant secretary-level position will soon be filled by a woman, which will bring the minority/women complement to 26 percent of the top Department jobs. Under the previous administration, three (nine percent) of the top ranking Department positions were held by minority representatives or women. We now have six—soon to be seven—women in top jobs; four of the top 34 are minority, of which two are women. The Department has its first woman Under Secretary of State. An organization chart with minorities and women noted is attached at Tab C.<sup>4</sup> Most ambassadorial appointments are, of course, yet to come.

C. You may also want to tell the President of the other actions that you have taken to improve affirmative action efforts in the State Department since your appointment. Accordingly, I am including at Tab D a copy of your circular letter of March 15<sup>5</sup> for ready reference

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 1, Chron April 1977. No classification marking. Drafted on April 1 by Robert Holliday (M/MO); cleared by Clayton McManaway (M/MO).

<sup>2</sup> See Document 187.

<sup>3</sup> Attached but not printed.

<sup>4</sup> Attached but not printed.

<sup>5</sup> See the attachment to Document 186.

and a copy of my follow-on memorandum to Assistant Secretaries and Heads of Offices concerning Affirmative Action.<sup>6</sup>

D. The Executive Level Task Force on Affirmative Action, which you set up by your March 15 memorandum, held its first meeting on March 21.<sup>7</sup> The Task Force is now organizing itself to examine two crucial areas of the Affirmative Action program. They are: Selection and Hiring Procedures, and Upward Mobility and Handicapped programs. I expect the Task Force to look into all areas of the State Department and to consult with groups inside and outside the government as necessary, and to give me some recommendations for steps which you may take in both the short run as well as the long term. One of the first actions of the Task Force is a move to intensify recruitment of Foreign Service officers at colleges and universities with large minority populations. We are now forming teams to visit selected institutions to strengthen relations with both faculty and students. We are seeking to establish links which will last and which will encourage minority interest in foreign affairs as a career.

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<sup>6</sup> Attached but not printed.

<sup>7</sup> No minutes of this meeting were found.

**189. Memorandum From the Director General of the Foreign Service and Director of Personnel (Laise) to the Deputy Under Secretary of State for Management (Moose)<sup>1</sup>**

Washington, April 8, 1977

SUBJECT

Impact of the FSO Written Examination on Women and Minorities

Entrance into the FSO Corps (and ignoring special programs) is a multi-stage process, involving a three-part written examination, an oral examination, medical and security clearances, and a final review before placement on a register for possible offer of appointment. One stage of that process, the written examination, has a clear-cut, heavy, and negative impact on the numbers of women and minorities who succeed in becoming Foreign Service Officers. We have been aware of this phenomenon for several years and have tried various devices to correct it but so far without great success.

—In recent years, the written examination has rejected a high proportion of women (see statistics at Tab 1).

—Men and women pass the combined general background and English expression tests at about the same rate, but women fail the functional part of the written out of all proportion to their representation in the total pool of test takers.

—The female rejection rate in the functional examination worsened when the Department moved from a single-cone functional test to a four-cone functional test in 1975.

—Because of our concern at the low pass rate for women, but also because of our desire to place greater emphasis on the importance of English expression, we changed the relative weights for the combined general background and English expression (the average combined score being the *first* cut between passers and failers) from 50:50 in 1975 to 40:60 in 1976. The change in weighting brings more women through the first cut because they tend to do better on the English expression than on the general background.

—The Educational Testing Service (ETS has been our contractor for recent written examinations) has made item analyses of the 1975 and 1976 functional examinations to ferret out evidence of sex bias in the questions, but detected no such pattern.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 1, Chron April 1977. No classification marking.

—The written examination presumably has the same impact on minorities, but for legal reasons we have no reliable statistics. M/EEO checks the names of minorities it has recruited to take the test against the list of passers; few pass. BEX keeps track, informally, of minorities who appear for an oral examination; they number a handful. We suspect that the written examination has an even heavier negative impact on minorities than on women.

The imperatives governing employment selection examinations require that they be relevant to the job, and based on an empirical, construct, or content validity model. The examinations must also be non-discriminatory. None of these requirements can be ignored. To scrap the functional part of the FSO written examination because it screens out women and minorities in unacceptably high numbers would risk repudiating the job-relatedness of the examination. We are seeking a means of solving these difficulties or at least mitigating them in our contract negotiations for the 1977 examination. We should shortly be ready to sign a contract with the bid winner (either ETS or Advanced Research Resources Organization). At that point we plan to bring together representatives from the different offices in PER, M/EEO (and a representative of the Task,<sup>2</sup> if you wish), and the bid winner to discuss the contract. We will review means to eliminate or diminish the negative impact of the written examination on women and minorities. We will be utilizing the McBer job analysis results<sup>3</sup> to examine a modification of the functional test that would retain job relatedness but reduce the rejection rate for women and minorities.

Our best efforts to turn the written examination into a neutral screen as to sex and race may not work. Until more women and minorities move in larger numbers away from educational concentration in fields that lead clearly to jobs (education, social work, technical specialties, and more recently law and medicine) into those fields of study that best prepare people for the Foreign Service (political science, international affairs, economics), they will probably continue to fail the written examination in disproportionate numbers.

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<sup>2</sup> Reference to the Secretary's Task Force on Affirmative Action.

<sup>3</sup> Not found.

Tab 1

Table Prepared in the Bureau of Personnel<sup>4</sup>

Washington, March 31, 1977

## FSO EXAMINATION STATISTICS: 1971–6

	<u>Total</u>	<u>Men</u>	<u>Women</u>	<u>% Women</u>
<i>December 1971 Exam</i>				
Applications	14,986	11,889	3,097	21%
Took Written	8,680	6,856	1,824	21%
Passed Written	1,322 (15%)	1,096 (16%)	226 (12%)	17%
Took Oral	946	797	149	16%
Passed Oral	231 (24%)	198 (25%)	33 (22%)	14%
<i>December 1972 Exam</i>				
Applications	12,020	9,364	2,656	22%
Took Written	7,469	5,827	1,642	22%
Passed Written	1,251 (17%)	1,023 (18%)	228 (14%)	18%
Took Oral	770	626	144	19%
Passed Oral	237 (31%)	189 (30%)	48 (33%)	20%
<i>December 1973 Exam</i>				
Applications	14,311	10,997	3,314	23%
Took Written	9,330	7,213	2,117	23%
Passed Written	1,339 (14%)	1,097 (15%)	242 (11%)	18%
Took Oral	910	751	159	17%
Passed Oral	400 (44%)	344 (46%)	56 (35%)	14%
<i>December 1974 Exam</i>				
Applications	15,318	11,150	4,168	27%
Took Written	9,799	7,243	2,556	26%
Passed Written	1,525 (16%)	1,258 (17%)	267 (10%)	18%

<sup>4</sup> No classification marking. Drafted by Susan L. Kachigian on March 28. Source: REE/BEX.

Took Oral	1,086	894	195	18%
Passed Oral	371	306	67	18%
	(34%)	(34%)	(34%)	
<i>December 1975 Exam</i>				
Applications	20,807	14,660	6,147	30%
Took Written	13,744	9,883	3,861	28%
Passed Written	1,508	1,357	161	11%
	(11%)	(14%)	(4%)	
Took Oral	1,075	949	126	12%
Passed Oral	320	279	41	13%
	(30%)	(29%)	(33%)	
<i>December 1976 Exam</i>				
Applications	18,760	13,486	5,274	28%
Took Written	11,814	8,673	3,141	27%
Passed Written	1,729	1,511	218	13%
	(13%)	(17%)	(7%)	
Took Oral				
Passed Oral				

**190. Memorandum From the Director General of the Foreign Service and Director of Personnel (Laise) to the Deputy Under Secretary of State for Management (Moose)<sup>1</sup>**

Washington, April 8, 1977

**SUBJECT**

Special EEO Recruitment Effort

As you requested, I have had a small working group prepare a description of how the Special Recruitment Effort would operate, including guidelines for the twelve or so recruiters we would put on the campuses for ten days from mid- to late April (Tab 1), and proposed itineraries (Tab 2). I have a list of those men and women, minorities and non-minorities, who would be best suited to the particular task at hand, and as soon as I have your approval for the recruitment plans,

<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 1, Chron April 1977. No classification marking.



I will enlist them for the effort. We are prepared to move quickly, since the recruiters must start planning no later than April 11, and be en route by April 14 or 15.

The Special Recruitment Effort, with the necessary follow-on to it, highlights the importance of establishing a permanent recruitment officer position. Also, I am considering the feasibility of using Foreign Service Day (April 22) to enlist our retired employees in our recruitment plans, and this too would require careful coordination on a continuing basis by the Department.

#### *SPECIAL RECRUITMENT EFFORT*

*Goals:* The Special Recruitment Effort is one of the actions planned by the Affirmative Action Task Force to respond to the Administration's commitment to bringing more women and minorities into Government, and to demonstrate the Department's own commitment to increasing the numbers of women and minorities at the professional level in both the Foreign Service and the Civil Service. It is also a step toward establishing on a long term basis a recruitment network of people on campuses and in community affairs, who would be our talent scouts in the coming years. They would encourage bright young minorities and women to take an interest in the field of international affairs in general, and to consider the Department and the Foreign Service as an attractive and rewarding career option in particular. The network will have to be active and concerned in order to meet our over-all goal; a change in the racial and sex composition of the professional levels of the Department and the Foreign Service.

*Description:* Initial contact point for recruiters will be the career counseling office. Recruiters would be available for a group meeting with students and for a meeting with the career counselor if requested, but that would not be the primary purpose of the visit. Through the career counselor, recruiters would be directed to and would set up meetings with minority and women professors ("role models"), particularly those in the traditional Foreign Service disciplines (history, government, international relations and foreign affairs, economics, government, business and public administration, journalism and communication). They should meet when possible with deans of minority student affairs and deans of women affairs. They should seek the advice of those they approach as to other valuable contacts (for example with off-campus organizations such as the Urban League or on-campus organizations of minority or female students). Recruiters will have to display imagination and ingenuity in searching out the individuals who will be most useful to the recruitment effort. Former participants

in the Scholar-Diplomat Program<sup>2</sup> (recruiters will have their names) could be of important assistance not only because they might be enlisted in the recruitment effort but because they might be able to identify the best people on campus for our purposes.

*Guidelines:* This first effort will concentrate on recruitment for the Foreign Service of both FSOs and FSIOs. Recruiters will explain to the on-campus individual that this Special Recruitment Effort is not a one-time thing; it is the beginning of long-range and continuing efforts to attract talented minorities and women into the Department and the Foreign Service at the professional level. They will ask the on-campus individual to encourage bright and interested women and minority students to explore careers in international affairs and especially with the Foreign Service. Using the information in our recruitment literature, they will emphasize the challenge of the career, including the very first challenge; passing the examinations. The written examination for the Foreign Service is, admittedly, a difficult screen, but bright minorities and women *with the proper preparation* can pass it. Recruiters should mention the two affirmative action programs, and should be prepared to discuss both of them, but should emphasize entry through the written examination route. Our effort is to reach that pool of minority and female talent that could succeed in the written examination but who seem to be unaware of or disinterested in Foreign Service careers. Recruiters should stress that we are not looking for sheer numbers but are interested in quality. Recruiters should also assure the on-campus people that the Department will be in continuing touch with them for guidance and exchanges of information.

*Follow-on:* All recruiters will be responsible for preparing a written report with an evaluation of each campus and comments on the individuals they have recruited. Their reports should include recommendations for future courses of action. A representative of the group should be responsible for preparing a general evaluation with recommendations for the Task Force, and should be prepared to meet with the Task Force.

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<sup>2</sup> The scholar-diplomat program allowed small groups of associate professors to spend a week at the Department of State observing first-hand the foreign policy process at work.

**Tab 1**

**Paper Prepared in the Bureau of Personnel<sup>3</sup>**

Washington, undated

*Background on Selection of Target Campuses*

1. The campuses selected for twelve recruitment trips of about ten days duration are either large state universities with high proportions of minority and female students, or selected minority or women's colleges. Factored into the selection was interest in and success on the written examination (as evidenced by the number who took and passed last December's examination).

2. Recruiters are not required to visit each campus; of those listed, further inquiry may cause elimination of a few for reasons of timing or interest.

3. Four of the areas to be covered (trips 5, 8, 11 and 12) are large and contain too many campuses for one recruiter to cover in a ten-day trip. Recruiters covering these areas could extend their trips to two weeks, or alternatively, the trips could be divided between two recruiters (and we would simply send out four more).

4. Each list includes also the names of recent participants in the scholar-diplomat program, and the names of FSOs currently in residence.

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<sup>3</sup> No classification marking.

**Tab 2****Paper Prepared in the Bureau of Personnel<sup>4</sup>**

Washington, undated

*TRIP #1**OHIO**Suggested Schools*

1. Miami University (Oxford)
2. Ohio State (Columbus)
3. Ohio University (Athens)
4. University of Cincinnati
5. University of Dayton
6. Wright State University (Dayton)
7. University of Toledo
8. Wilberforce University
9. Oberlin (good source of exam takers)

*Former Scholar Diplomat Program Participants*

Antioch College	—	William J. Parenti
Bowling Green State University	—	Robert W. Flansen
College of Mt. Saint Joseph	—	Eloise Gompf
Marietta College	—	Michele M. H. Willard
Miami University	—	Lars G. Schowltz
Mount Union College	—	George A. Tone
Ohio State University	—	David M. Lampton
Ohio University	—	John L. Gaddis
Ohio Wesleyan	—	Corinne Lyman
University of Akron	—	Grace L. Powell
University of Cincinnati	—	Roger Selya
University of Dayton	—	Tong-Chin Rhee
University of Toledo	—	George P. Jan
Wilmington College	—	Donald R. Liggett
Wright State University	—	Byron S. J. Wing
Youngstown State University	—	David J. Reith
Capital University	—	Howard A. Wilson

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<sup>4</sup> No classification marking.

TRIP #2

PENNSYLVANIA<sup>5</sup>

*Suggested Schools \*Diplomat-in-Residence*

1. University of Pittsburgh (25 students passed exam)
2. Penn State
3. Carnigie–Mellon (Pittsburgh)
4. Drexel University (Phila) (4 students passed exam)
5. Duquesne (Pitt) (15% passed exam)
6. Indiana University (50 exam takers)
7. Lehigh University (6 passers)
8. Shippensburg State
9. University of Pennsylvania
10. Villanova
11. West Chester State—Lincoln University—Cheyney State
- \*12. Allegheny College (Meadville)

*Former Scholar Diplomat Program Participants*

Bloomsburg State College	—	James M. Afshar
Bucknell University	—	John A. Peeler
Chatham College	—	Jo Louise Husbands
Dickinson College	—	Donald W. Flaherty
Drexel University	—	Charles J. Mode
Duquesne University	—	Robert S. Barker
Edinboro State College	—	Julius M. Blum
Elizabethtown College	—	Wayne A. Selcher
Gettysburg College	—	Donald G. Tannenbaum
Haverford College	—	Wyatt MacGaffey
Kings College	—	Richard M. Fulton
LaFayette College	—	Michael H. Glantz
La Verne College	—	John Lun Jang
Lock Haven State College	—	Michael W. Peplow
Penn State Univ.—Delaware		
County Campus	—	Martin W. Sharp
Penn State U.—University Park	—	C. Gregory Knight
		Robert A. Simko
Slippery Rock State College	—	Larry R. Cobb

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<sup>5</sup> On April 26, Stanley Harris sent a report to Moose about his recruiting trip to Pennsylvania. (National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 3, Chron June 1977)

Swarthmore College	—	Kenneth G. Lieberthal
Temple University	—	Lloyd Jensen
University of Penna	—	Trond Gilberg
University of Pittsburgh	—	Dorothy J. Solinger
University of Scranton	—	Francis S. J. Homer
Villanova University	—	Joseph E. Thompson
Widener College	—	Martin E. Goldstein
Lehigh University	—	Nicholas W. Balabkins
Franklin & Marshall	—	Robert C. Gray
*Allegheny College	—	Grant Mouser

## TRIP #3

## COLORADO—ARIZONA

*Suggested Schools \*Diplomat-in-Residence*

## COLORADO

1. Colorado College
- \*2. Colorado State (Ft. Collins)
3. Colorado Women's College (Denver) (7 took, 1 passed)
4. Southern Colorado State College (Pueblo)
5. University of Colorado (Boulder) (Colorado Springs) (Denver)
6. University of Denver
7. University of Northern Colorado

## ARIZONA

1. Arizona State (Tempe)
2. University of Arizona (Tucson)

*Former Scholar Diplomat Program Participants*

Colorado College	—	Walter E. Hecox
Colorado State University	—	Mark T. Gilderhus
University of Denver	—	Robert Stalcup
Arizona State University	—	Lewis A. Tambs
University of Arizona	—	Thomas J. Volgy
*Colorado State College	—	William Eagleton

## TRIP #4

## MICHIGAN

*Suggested Schools*

1. Central Michigan University
2. Eastern Michigan University (Ypsilanti)

3. Michigan State (East Lansing)
4. University of Detroit
5. University of Michigan (Ann Arbor)
6. Wayne State
7. Western Michigan (Kalamazoo)

*Former Scholar Diplomat Program Participants*

Adrian College	—	Erwina E. Godfrey
Albion College	—	Judith Elkin
Eastern Michigan University	—	Karen E. Lindenberg
Grand Valley State College	—	Donald Herman
Michigan State University (East Lansing)	—	William P. O'Hare
Northern Michigan University	—	Barry L. Knight
Oakland State University	—	Lawrence T. Farley
University of Detroit	—	Hung-Chao Tai
University of Michigan (Ann Arbor)	—	Clement M. Henry
University of Michigan (Dearborn)	—	Dennis R. Papazian
Wayne State University	—	Craig N. Andrews
Western Michigan University	—	Ernest E. Rossi
Mercy College of Detroit	—	Robert E. Johnson

*TRIP #5*

*OKLAHOMA—NEW MEXICO—TEXAS*

*Suggested Schools*

*OKLAHOMA*

1. Central State (Edmond)
2. Cameron University (Lawton)
3. University of Oklahoma (Norman)
4. University of Tulsa
5. Southeastern State College

*NEW MEXICO*

1. New Mexico State University (Las Cruces)
2. New Mexico Highlands (Las Vegas)
3. University of New Mexico (Albuquerque)

*TEXAS*

1. Texas State (Commerce)
2. Lamar University (Beaumont)

3. Rice (Houston)
4. Prairie View A & M
5. Texas A & M University
6. University of Houston
7. University of Texas (Austin)

*Former Participants in the Scholar Diplomat Program*

OKLAHOMA

Central State University	—	Jack J. Reid
Oklahoma State University	—	William E. Segall
University of Oklahoma (Norman)	—	Sidney D. Brown
*Northeastern State College	—	Harpal S. Gill

NEW MEXICO

University of New Mexico (Albuquerque)	—	James Lee Ray
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TEXAS

Angelo State University	—	E. James Holland
Bishop College	—	Manuel S. Aldana
Southern Methodist University	—	James Brown
Southwest Texas State University	—	Arnold Leder
Texas A & M University	—	Betty M. Unterberger
Texas Southern University	—	Cynthia N. S. Perry
Trinity University	—	Lawrence L. Espey
University of Houston	—	Jeffrey Adelman
University of Texas (Austin)	—	Charles T. McDowell
University of Texas (Dallas)	—	Brantly H. Womack
University of Texas (El Paso)	—	Richard Bath
East Texas State University	—	Keith D. McFarland

TRIP #6

CALIFORNIA—LOS ANGELES—SAN DIEGO

*Suggested Schools \*Diplomat-in-Residence*

1. University of California (Los Angeles) (Irvine) (Riverside) (San Diego)
2. University of Southern California (Los Angeles) (Long Beach)
- \*3. Occidental
4. Claremont Group Colleges — Claremont Graduate School  
Claremont Men's College  
Harvey Mudd College  
Pomona College  
Scripps College



5. University of San Diego
6. California State University (Los Angeles)
7. Pepperdine
8. U.S. International (San Diego)

*Former Participants in the Scholar Diplomat Program*

Cal. State College (Long Beach)	—	Barry Steiner
Cal. State College (San Bernardino)	—	Brij B. Khare
Cal. State University (Los Angeles)	—	Norman M. Gosenfeld
Cal. State University (Northridge)	—	Christopher A. Lev
Cal. State College (Stanislaus)	—	Steven Hughes
Cal. State Polytechnic College (San Guidlupo [ <i>Luis Obispo</i> ])	—	Carroll R. McKibbin
Cal. State University (Hayward)	—	Charles W. Merrifield
Claremont Men's College	—	Richard S. Wheeler
Long Beach City College	—	Robert G. Orr
Loyola University Law School (Los Angeles)	—	Malvina H. Guggenheim
Pomona College (Claremont)	—	Steven S. Koblik
San Bernardino Valley College	—	Austin G. Van Hove
Univ. of Cal. (Davis)	—	Robert J. Lieber
Univ. of Cal. (Irvine)	—	Caesar D. Sereseres
Univ. of Cal. (Los Angeles)	—	Susan K. Purcell
Univ. of Cal. (Riverside)	—	Morton Schwartz
Univ. of Cal. (San Diego)	—	Marc J. Swartz
Univ. of Cal. (Santa Barbara)	—	G. Wesley Johnson
Univ. of So. Cal. (Los Angeles)	—	Richard L. Merritt
*Occidental	—	Jean Wilkowski

*TRIP #7*

*FLORIDA—PUERTO RICO*

*Suggested Schools*

*FLORIDA*

1. University of Florida (Gainesville)
2. University of Miami
3. Florida State University (Tallahassee)
4. University of South Florida (Tampa)

*PUERTO RICO*

1. Inter-American University (San German)
2. University of Puerto Rico (Manaquez) (Rio Piedras)
3. World University

*Former Participants in the Scholar Diplomat Program*

FLORIDA

Florida State University (Tallahassee)	—	Robert C. Harris
Florida Tech. University	—	Douglas C. Smyth
Univ. of Florida (Gainesville)	—	Terrence L. McCoy
Univ. of Miami	—	Rafael C. Benitez
Univ. of South Florida	—	Susan Stoudinger
Univ. of West Florida	—	David S. Myers
Jacksonville University	—	John A. Sullivan
Rollins College	—	Dwight L. Ling

PUERTO RICO

Catholic University of Puerto Rico	—	John de Passalacqua
University of Puerto Rico	—	Pedro F. Silva-Ruiz

TRIP #8

GEORGIA—LOUISIANA

*Suggested Schools*

GEORGIA

1. Atlanta University: Morris Brown  
Morehouse  
Spelman  
Clarke
2. Georgia State (Atlanta)
3. University of Georgia (Athens)
4. Wesleyan (Women) (Macon)

LOUISIANA

1. Dillard (New Orleans)
2. Loyola (New Orleans)
3. Southern (New Orleans)
4. Tulane (New Orleans)
5. Xavier (New Orleans)

*Former Participants in the Scholar Diplomat Program*

GEORGIA

Clark College	—	Susan G. Hadden
Columbus College	—	Nam Yearl Chai
University of Georgia	—	Don R. Hoy

Valdosta State College	—	Dale H. Peebles
Emory University (Atlanta)	—	Rondo Cameron
Georgia State University	—	Robert E. Johnston
Georgia Southern College	—	G. Lane Van Tassell
Oglethorpe University	—	Robert B. DeJanes, Jr.
Shaw Decatur High School	—	Harvey G. Soff
West Georgia College	—	Betty Jane Sherman Youngblood

*LOUISIANA*

Louisiana State University	—	Norman W. Provizer
Tulane University	—	James D. Cochrane

*TRIP #9**WASHINGTON-OREGON**Suggested Schools**WASHINGTON*

1. Seattle University
2. University of Washington (Seattle)
3. Washington State (Pullman)
4. Western Washington State College (Bellingham)
5. Eastern Washington State College (Cheney)

*OREGON*

1. Lewis & Clark (Portland)
2. Oregon State University (Corvallis)
3. Portland State University
4. University of Oregon (Eugene)

*Former Participants in the Scholar Diplomat Program**WASHINGTON*

East Washington State College	—	Ernest W. Gohlert
Seattle University	—	Thomas J. Freebon
University of Washington (Seattle)	—	Robert C. Williams
Washington State (Pullman)	—	Patrick M. Morgan
Western Washington State College	—	Ellis S. Krauss
Whitworth College (Spokane)	—	Dan C. Sanford

OREGON

George Fox College (Newburg)	—	Berton L. Lamb
University of Oregon (Eugene)	—	Jon L. Jacobsen
University of Portland	—	Earl L. Sullivan

TRIP #10

WISCONSIN

*Suggested Schools*

1. Marquette University (Milwaukee)
2. University of Wisconsin (Stevens Point)  
(Madison)  
(Milwaukee)  
(Whitewater)  
(Oshkosh)
3. Carroll College (Waukesha)
4. Mount Mary College (Milwaukee)
5. Ripon College (Ripon)

*Former Participants in the Scholar Diplomat Program*

Beloit College	—	Nelson Van Valen
Lawrence University (Appleton)	—	Minoo D. Adenwalla
Marquette University	—	Glenn N. Schram
University of Wisconsin (Eau Claire)	—	Carl Haywood
(La Crosse)	—	Bruce Lee Mouser
(Madison)	—	Robert E. Frykenburg
(Milwaukee)	—	Ricardo R. Fernandez
(Oshkosh)	—	Kenneth J. Grieb
(Kenosha)	—	Roger P. Hamburg
(Janesville)	—	Barbara Williams
(Wausau)	—	Angela S. Burger
(Whitewater)	—	John B. Ray
Wisconsin State University (Plattville)	—	C. Robert Frost

TRIP #11

ILLINOIS

*Suggested Schools \*Diplomat-in-Residence*

1. DePaul University (Chicago)
2. City College of Chicago

3. Eastern Illinois University (Charleston)
4. Illinois State University
5. Chicago State University
6. Northern Illinois University
7. Loyola of Chicago
8. Northwestern University (Evanston)
9. Roosevelt University (Chicago)
10. University of Illinois (Chicago Circle)
11. Southern Illinois University (Carbondale)
- \*12. University of Illinois (Urbana)

*Former Participants in the Scholar Diplomat Program*

Augustana College (Rock Island)	—	James B. Bukowski
Bradley University (Peoria)	—	John R. Howard
Carthage College	—	William C. Gunderson
DePaul	—	Elizabeth Succari
Eastern Illinois University	—	John R. Faust
Illinois State University (Normal)	—	Hibbert R. Roberts
Loyola University of Chicago	—	Sam Sarkesian
Northern Illinois University (DeKalb)	—	Martin D. Dubin
Southern Illinois University (Carbondale)	—	David E. Conrad
Southern Illinois University (Edwardsville)	—	Arthur L. Aikman
University of Chicago	—	Fenton G. Campbell
*University of Illinois (Urbana)	—	Nobel Melencamp

*TRIP #12*

*NEW JERSEY-NEW YORK*

*Suggested Schools \*Diplomat-in-Residence*

*NEW JERSEY*

1. Fairleigh Dickerson (Madison)
2. Glassboro State College
3. Rutgers (Camden)  
(New Brunswick)  
(Newark)
4. Princeton (Woodrow Wilson School)
5. Seton Hall (South Orange)

## NEW YORK

1. CUNY (Brooklyn)  
(Hunter)  
(City College)  
(Queens)
2. Columbia (Barnard)  
(School of International Affairs)  
(Graduate School of Business)
3. Fordham
4. New York University
5. Pace University
6. St. John's University
7. Vassar

*Former Participants in the Scholar Diplomat Program*

## NEW JERSEY

Jersey City State College	—	Clifford E. Landers
Kean College of New Jersey	—	Gilbert N. Kahn
Latin American Institute (New Brunswick)	—	John C. Pollock
New Jersey Department of Education	—	Gary Gappert
Princeton	—	Jane H. Kalicki
Ramapo College of New Jersey (Mahwah)	—	Beverly B. Brown
Rutgers (New Brunswick)	—	Barbara C. Lewis
Trenton State College	—	Carol J. Ehlers

## NEW YORK

Adelphi University	—	Jerome L. Shneidman
Auburn University	—	Daniel J. Nelson
Barnard College	—	Lynn E. Davis
Briarcliff College	—	Selby H. Joffe
City College of New York	—	Nathan Kravetz
Colgate University	—	David Strauss
Columbia University	—	Donald F. Wheeler
Cornell University	—	Cynthia W. Frey
CUNY-Lehman College	—	Stanley A. Renshon
Dowling College (Oakdale)	—	Norman Holub
Fordham University	—	Charles B. Keely
*Hamilton College	—	Richard Boehm
Hartwick College	—	John O. Lindell
Hofstra University	—	William F. Levamstrosser

CUNY-Hunter College	—	Gil C. Alroy
Ithaca College	—	M. Raquibz Zaman
LeMoyne College	—	John B. Boyd
Marist College	—	William C. Olsen
North Port High School	—	Constantine Louisidis
CUNY-Queens College	—	Istvan Szent-Miklosy
Queensboro Community College	—	Dr. Choong-Shick Hong
Rensselaer Polytechnic Institute	—	Harold E. Brazil
CUNY-Richmond College	—	Dr. James A. Fetzer
St. John's University	—	Charles F. Holmes
St. Lawrence University	—	Robert N. Wells
Skidmore College	—	Martha H. Good
SUNY (Fredonia)	—	William Dirkraat
(Albany)	—	Theodore P. Wright
(Binghamton)	—	Sydney R. Waldron
(Brockport)	—	Stephen H. Ullman
(Buffalo)	—	Alma Lowell Dittmer
(Genesco)	—	Jay L. Kaplan
(Oneonta)	—	Paul G. Conway
(Oswego)	—	Mab Huang
(Plattsburgh)	—	Ronald D. Tallman
Syracuse University	—	Kenneth D. Auberback
Union College (Schnectady)	—	Paul M. Johnson
Utica College	—	Elroy B. Thiel
Vassar College	—	Michael E. Kraft
Wells College	—	Dianne Marie Portelance

*SO*

O-2	Georgiana M. Prince, M/MO
O-2	Richard T. Salazar, AF/EX
O-2	Rudy V. Fimbres, D/HA
O-2	Wever Gim, EA/RA

*POL*

O-3	James R. Cheek, NEA/RA
O-4	David D. Passage, S/NOC
O-4	Joseph Lake, EA/PHL
O-4	Roger Harrison, PM/NOC
O-5	William A. Kirby, INR/RNA

*E/C*

O-3	Stanley Harris, EB/OCA/CD
O-3	Theresa A. Healy, DG/PC
O-3	Henry A. Engelbrecht, EA/ROC

*CONS*

\*O-3 Joan V. Smith, EUR/WE  
 \*S-3 Laurence Stanley, SCA/VO  
 O-5 Judith Ann Schmidt, FCA/JO

*ADMIN*

\*O-3 Edward J. Perkins, M/MO  
 O-4 Nicholas Baskey, EUR/EX  
 O-4 James D. Walsh, A/O  
 O-5 Peggy Blackford, OPR/ST  
 O-5 Judith I. Hughes, PA/PP  
 \*O-5 Eric Weaver, NEA/EX  
 \*R-5 Henry R. Grant, S/S-EX

\*minority officer

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**191. Airgram From the Department of State to Selected  
 Diplomatic Posts<sup>1</sup>**

A-1770

Washington, April 19, 1977, 1:17 p.m.

**SUBJECT**

EEO Films

For Chiefs of Mission From Richard M. Moose.

In his March 15, 1977 Equal Employment Opportunity message,<sup>2</sup> Secretary Vance emphasized the Department's dedication to and involvement in EEO activities. One facet of those activities is the education of our workforce on matters such as perceptions of people in peer as well as supervisory relationships. A pair of films have been obtained for world tour to assist Foreign Service employees who are physically remote from training and briefing sessions in Washington.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 1, Chron April 1977. Unclassified. Drafted on April 13 by Pinckney and Georgiana Prince (M/EEO); cleared in draft by Ralph Scarritt (EA/EX), J. Antunes (USIA), G. Roane (AID), and Edward Fenstermacher (OC/P); approved by Moose. Sent to Bangkok, Canberra, Hong Kong, Jakarta, Kuala Lumpur, Manila, Peking, Port Moresby, Rangoon, Seoul, Singapore, Taipei, Tokyo, and Wellington.

<sup>2</sup> See Document 186.



The first of the two-film package en route to EA posts is "Prejudice: Perceiving and Believing." The film presents a very broad socio-economic cross section of people declaring their feelings about others in terms of their perceptions about others' race, color, religion, ethnic origin, sex, and occupation, rather than individual worth. Also, the film includes commentary on pre-judgment or prejudice against white Anglo-Saxon Protestants within the same context as prejudice against minorities and women.

The second film, entitled "Productivity and the Self-Fulfilling Prophecy: The Pygmalion Effect," deals with the power of expectation and how that power can be used to influence people negatively or positively. By understanding how this process occurs, the film intends to show how management can learn to use it as a powerful tool for the benefit of both the organization and individual and how managers can affect employee morale, performance, and upward mobility.

Chiefs of Mission are expected to take a personal interest in the showing of the film—inviting all U.S. employees and encouraging attendance by adult family members as well. Recently a representative of the DOD contacted the Department on EEO abroad and expressed an interest in being included in activities such as film showings. The film should be sent to constituent posts for viewing as the Chief of Mission deems appropriate.

EEO Counselors and Federal Women's Program Coordinators are urged to preview the films before general showing in preparation for roles as moderators in post-screening group discussions. The producers of the "Prejudice" film suggest the following questions to generate discussion:

1. How does the old saying "beauty is in the eye of the beholder" apply to this film?
2. Have you ever been the victim of pre-judgments regarding your race, ethnic origin or sex?
3. How does perceiving and believing people to have group characteristics affect their basic job performance and potential to advance?
4. What effect would being perceived in terms of group characteristics have on your job performance and potential to advance?

The producers of the "Pygmalion" film suggest questions like the following:

1. Which workers are most susceptible to a negative Pygmalion Effect? What implications does this have for management? For the worker?
2. What are some possible results of a manager's negative expectations on the job?
3. Cite five ways that a manager can relay positive expectations to an employee. Cite five ways that negative expectations can be conveyed.

EA's record in showing the 1975/76 EEO film "Beyond Black and White" is excellent. It is expected that the same treatment will be given to the new pair of films. After viewing, each post is to advise M/EEO of (1) date of showing, (2) number of persons who attended the showing, (3) reactions of the viewers, (4) post to which forwarded, and (5) date of forwarding. (*Each post should arrange for a showing roughly within two weeks of receipt.*)

The following itinerary is advisory. Posts should feel free to make adjustments between themselves based on the best mail/pouch facilities from post to post. Posts along the way should *not* return the film to Washington for onward forwarding. The last post should return the film to M/EEO.

TOKYO	KUALA LUMPUR
SEOUL	SINGAPORE
PEKING	JAKARTA
TAIPEI	MANILA
HONG KONG	PORT MORESBY
RANGOON	CANBERRA
BANGKOK	WELLINGTON

Vance

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**192. Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Pinckney) to the Deputy Under Secretary of State for Management (Moose)<sup>1</sup>**

Washington, June 27, 1977

**SUBJECT**

Ten-Year Review of Minority and Women FSO's

We are frequently asked for ten-year reports on minority and female employment—progress is measured by many in terms of a decade since the Civil Rights Act of 1964,<sup>2</sup> a decade since Executive Order

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 3, Chron June 1977. No classification marking. A copy was sent to Laise.

<sup>2</sup> P.L. 88–352.

11375,<sup>3</sup> etc. Attached are statistical views on minority and women FSO's only 1967–76. Neither report can make us proud—except that recruitment of women for entry at junior levels has been somewhat effective. The “swell” of minorities at the middle level is probably due to laterals from the FSR/JO program while the paucity of minorities at the junior level reflects (contrary to women) a failure of intake via the exam process. These reports are, in my mind, a dramatic picture of the work ahead for the Department.

## Attachment 1

### Table Prepared in the Office of Equal Employment Opportunity<sup>4</sup>

Washington, June 1977

#### WOMEN FSO'S BY GRADE/LEVEL: 10-YEAR STUDY (PERCENT OF TOTAL EMPLOYMENT)

Grade	3/67	3/68	9/69	3/70	3/71	3/72	3/73	3/74	3/75	12/76	10-Year Diff
<i>Senior Level</i>											
CA	—	—	—	—	—	—	—	—	—	—	
CM	—	—	3.2	3.3	1.9	1.9	2.6	4.7	8.3	2.5	+ 2.5
FSO-1	1.4	1.6	0.7	0.7	1.1	1.8	2.2	2.7	2.7	3.2	+ 1.8
-2	2.3	3.0	2.9	2.7	2.2	2.0	1.8	2.2	2.3	2.6	+ 0.3
Total	1.8	2.2	2.0	2.0	1.8	1.9	2.0	2.5	2.8	2.9	+ 1.1
<i>Middle Level</i>											
FSO-3	4.9	4.5	4.1	3.8	4.1	4.5	4.6	5.2	5.1	5.5	+ 0.6
-4	11.0	8.6	7.8	7.1	6.2	5.2	5.2	5.3	6.0	6.6	- 4.4
-5	5.4	4.8	3.5	3.2	3.5	4.8	10.1	10.6	13.9	13.6	+ 8.2
Total	7.2	6.0	5.2	4.7	4.7	4.8	6.6	7.0	8.2	8.3	+ 1.1
<i>Junior Level</i>											
FSO-6	3.6	5.6	7.7	7.8	7.2	10.9	11.2	13.0	13.9	16.5	+ 12.9
-7	8.6	9.0	11.0	8.6	8.2	5.6	11.4	13.1	20.4	19.1	+ 10.5
-8	10.1	15.2	11.1	14.3	12.9	12.5	25.0	31.5	28.8	21.2	+ 11.1
Total	6.4	7.9	8.8	8.4	7.9	9.2	12.0	14.6	18.1	18.1	+ 11.7
TOTAL	5.8	5.6	5.2	4.9	4.6	4.9	6.6	7.6	8.7	9.3	+ 3.5

<sup>3</sup> E.O. 11375, signed by President Johnson on October 13, 1967, banned discrimination on the basis of race, color, religion, sex, or national origin in Federal employment and in employment of Federal contractors.

<sup>4</sup> No classification marking. Source: PER Summary of Employment (excluding non-career Chiefs of Mission).

## Attachment 2

Table Prepared in the Office of Equal Employment Opportunity<sup>5</sup>

Washington, June 1977

*MINORITY FSO'S BY GRADE/LEVEL: 10-YEAR STUDY<sup>6</sup>*  
 (PERCENT OF TOTAL EMPLOYMENT)

<u>GRADE</u>	<u>11/67</u>	<u>11/69</u>	<u>11/70</u>	<u>11/71</u>	<u>11/72</u>	<u>11/73</u>	<u>11/74</u>	<u>12/75</u>	<u>12/76</u>	<u>10-Year Diff</u>
<i>Senior Level</i>										
CA	—	—	—	—	—	—	—	—	—	
CM	—	—	—	1.9	2.0	2.3	4.3	2.2	2.5	+ 2.5
FSO-1	0.6	1.7	2.1	2.2	1.4	1.1	2.2	2.2	1.9	+ 1.3
-2	0.9	1.2	1.2	1.8	2.2	3.0	2.6	3.0	3.3	+ 2.4
Total	0.7	1.3	1.5	1.9	1.9	2.2	2.6	2.6	2.6	+ 1.9
<i>Middle Level</i>										
FSO-3	1.8	2.7	3.1	3.0	2.9	2.9	3.4	2.7	2.8	+ 1.0
-4	2.2	2.1	2.1	2.3	2.7	2.9	2.9	3.4	3.2	+ 1.0
-5	0.9	1.1	1.5	1.9	3.0	5.6	8.2	9.1	10.8	+ 9.9
Total	1.7	2.0	2.2	2.4	2.9	3.8	4.8	5.0	5.3	+ 3.6
<i>Junior Level</i>										
FSO-6	0.9	2.5	3.2	3.2	7.7	6.7	6.4	4.6	5.9	+ 5.0
-7	0.8	3.2	3.1	4.4	4.5	2.8	2.3	2.3	0.4	- 0.4
-8	0.9	9.4	6.5	12.9	6.3	—	—	1.1	—	- 0.9
Total	0.9	3.0	3.3	4.2	6.8	5.0	4.1	3.2	3.0	+ 2.1
TOTAL	1.3	2.1	2.3	2.6	3.4	3.7	4.2	4.2	4.3	+ 3.0

<sup>5</sup> No classification marking. Source: PER Summary of Employment (excluding non-career Chiefs of Mission).

<sup>6</sup> No minority statistics are available for 1968. [Footnote is in the original.]

**193. Memorandum From Foreign Service Officer Peter Orr to the Chairman of the Secretary's Task Force on Affirmative Action (Moose)<sup>1</sup>**

Washington, July 5, 1977

SUBJECT

AMERICAN INDIAN: Native American—Most Neglected and Perhaps Most Discriminated Minority of All Minorities

On June 16, 1977, two colleagues and myself appeared before the Task Force to convey the views of the Asian-American Caucus on various subjects on which the Task Force is currently conducting a review.<sup>2</sup> On this occasion, you may recall that (since the Task Force had invited and received views from other minority groups, e.g., black, Spanish-speaking, and Asian-Americans) I called the Task Force's attention to the American Indians; and I strongly urged them not to neglect in its review of native Americans: the American Indians. Due to the time factor, Mr. Chairman, you asked for a paper in lieu of an oral presentation from this group. Hence, it is in this connection that this memorandum is being submitted for the Task Force's consideration.

Before I continue on this subject, I wish to point out that I'm not a representative of American Indians nor any of their interest groups or organizations (they have none because there are only one American Indian FSO and two FSS in the Foreign Service). Therefore, all views and comments set forth in this memorandum are mine, based on personal study. Also, my comments are restricted to the Department and the Foreign Service proper; it does not include AID, USIA or ACDA.

*A. THE DEPARTMENT HAS NEGLECTED AND DISCRIMINATED AGAINST THE AMERICAN INDIANS:*

The statistics emphatically indicate that the Department and the Foreign Service have chronically neglected, and indirectly (if not directly) discriminated against the American Indians. Without question the Department has paid little or no attention to recruiting American Indians into the Service; this fact was also noted in the February 1977 report released by the Clark, Phipps, Clarke and Harris, Inc.<sup>3</sup> which stated that:

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 3, Chron July 1977. No classification marking. Sent through Pinckney.

<sup>2</sup> No minutes of this meeting were found.

<sup>3</sup> Not further identified.

"Although BEX includes visits to schools with high American Indian and Asian-American enrollment, recruitment of these two groups does not appear to be as systematic or as focused as for other groups (black, hispanic and women)."

The following data on American Indian employees in the Department and the Foreign Service as of 12/31/76 will substantiate the aforementioned findings:

<u>Pay Plan</u>	<u>Grade</u>	<u>No. Employed</u>
FSO	5	1
FSS	4	1
FSS	7	1
Total in the Foreign Service—		3
GS	6	1
GS	7	1
GS	8	3
GS	9	1
Total in the Civil Service—		6
Total FS/GS—		9

Furthermore, not only are there only a handful of American Indians employed in the Department but, also, all of them are in lower grades, as well.

*B. THE DEPARTMENT SHOULD PRACTICE HUMAN RIGHTS AND EQUAL OPPORTUNITY WITHIN BEFORE IMPLEMENTING IT AS FOREIGN POLICY:*

"... We are now struggling to enhance equality of opportunity. Our commitment to human rights must be absolute ... and human dignity must be enhanced."

—President Carter  
January 20, 1977<sup>4</sup>

"I am also on record expressing deep concern about human rights, abroad and at home ... including dedication to and involvement in Equal Employment Opportunity within the Department as dictated by ethics and law."

—Secretary Vance  
March 15, 1977<sup>5</sup>

<sup>4</sup> The quote is from Carter's inaugural address; see *Public Papers: Carter, 1977*, Book I, pp. 1-4.

<sup>5</sup> See Document 186.

Without question the Department and Foreign Service's performances in practicing human rights and equal opportunity has been less than desirable. This fact was noted by President Carter during his visit to the Department on February 24, 1977:

"I think, to be perfectly frank, that the State Department is probably the Department that needs progress more than any other."<sup>6</sup>

As we all very well know, the current administration has courageously, and rightfully, placed human rights (or equal opportunity) as one of its highest foreign policy priorities. Of course, the Department and the Foreign Service are charged with implementing it. But, I question whether the Department can effectively, sincerely and honestly be able to persuade other nations to enhance equal opportunity and human rights for their citizens when the President himself has stated (correctly so) that the Department has a very bad record in the equal opportunity area for our own citizens.

And the Americans who have been, and still are, treated the worst are the native Americans, the American Indians. This group of citizens, as statistics indicate, is the minority among all minorities, and the most neglected and least known by the Department. The Department probably knows more about the Bhotia tribal people in Nepal and the Bobo tribe in Upper Volta than it does about the Pueblo Indians of Arizona or the Tsimshians of Alaska, even though the Foreign Service is mandated by law:

"The Congress hereby declares that the objectives of this Act are to develop and strengthen the Foreign Service of the United States so as . . . to insure that the officers and employees of the Foreign Service are broadly representative of the American people and are aware of and fully informed in respect to current trends in American life."

—Sec. 111(2) of the  
Foreign Service Act of 1946, as amended<sup>7</sup>

Therefore, I can only emphatically conclude that the Foreign Service has failed to carry out the legal mandate of the Congress. And I certainly hope that the Task Force will come up with a meaningful and an effective plan to fulfill the legal requirement as specified in the Foreign Service Act and the Equal Employment Act of 1972.<sup>8</sup> I don't believe I would be overly exaggerating if I state that most of us in the Department would consider American Indians more aliens and strangers than Canadians or Frenchmen. Therefore, at this point I would like to furnish a

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<sup>6</sup> See *Public Papers: Carter, 1977*, Book I, pp. 235–245.

<sup>7</sup> P.L. 79–724.

<sup>8</sup> P.L. 92–261.

very brief statement on the status of American Indians in the United States.

### C. STATUS OF THE AMERICAN INDIAN:

*WHO IS AN INDIAN*—To be designated as an “Indian” eligible for basic Bureau of Indian Affairs services, an individual must live on or near a reservation or near trust or restricted land under the jurisdiction of the BIA, and be a member of a tribe, band, or group of Indians recognized by the Federal Government, and/or be of one-fourth or more Indian descent. By legislative action, the Aleuts, and Eskimos of Alaska are also referred to as American Indians.

*CENSUS FIGURES*—According to the U.S. Census for 1970 there are 792,730 Indians and 34,378 Aleuts and Eskimos in the United States. The BIA estimates that 478,000 Indians were residing on or near reservations in 1970.

*INDIAN TRIBES*—There are 266 Federally recognized Indian tribes, bands, villages, pueblos and groups in the mainland states. In addition, there are 216 Native Alaskan communities served by the Bureau of Indian Affairs, thus bringing it to a total of 482 Indian tribal entities with which the Federal Government has a special trust relationship.

The ten largest Indian reservations (excluding Alaska) in order of size are: Navajo, 13.8 million acres; Papago, 2.7 million acres; Hopi, 2.4 million acres; Wind River, 1.88 million acres; San Carlos, 1.8 million acres; Fort Apache, 1.6 million acres; Pine Ridge, 1.6 million acres; Crow, 1.5 million acres; Cheyenne River, 1.4 million acres; Yakima, 1.1 million acres.

*ECONOMIC AND EMPLOYMENT STATUS*—The Bureau of Indian Affairs estimates that in 1975 the per capita average income of Indians living on Federal reservations was estimated to be \$1,520. About 40% of the potential labor force was unemployed, and half of these were actively seeking employment. 63% of all American Indians employed by the Federal Government are employed by the Bureau of Indian Affairs.

*ADDED BACKGROUND NOTES ON INDIANS*—With the ending of the Civil War, and the adoption of the 13th and 14th Amendments to the U.S. Constitution, came the end of slavery, and citizenship and constitutional protection of blacks. While these actions were being taken by the Congress, ironically and tragically the U.S. Army gave added emphasis to removing Indians from east to the west of the Mississippi River as dictated by the Indian Removal Act of 1830 and President Jackson’s directive of 1834. With such well known military victories as the Battle of Wounded Knee, the U.S. Government succeeded in relocating the American Indians and, thus, finally, came the reservation system which no doubt was worse than the detention camps of WWII



for Japanese-Americans (another bleak chapter in U.S. history). In 1924, Congress passed the Indian Citizenship Act, granting citizenship to all Indians.

In light of what has been hitherto said, then comes the question of what the Department must do in order to achieve the legislative objectives of Section 111(2) of the Foreign Service Act, as amended; and the Equal Employment Act of 1972 with specific reference to the American Indians.

*D. SPECIAL EFFORT MUST BE MADE TO RECRUIT INDIANS:*

As it was noted earlier the Department has devoted little or no effort to recruiting American Indians. A result of this is quite obvious: number of Indians employed by the Department and the Foreign Service as of December 31, 1976:

<i>PP</i>	<i>NE</i>
FSO	1
FSS	2
GS	6

Why hasn't the Department devoted more attention to recruiting American Indians into the Service? I would have to say because (1) the Indian population is small; hence, why bother; (2) only a handful could probably qualify for the Service, since only a few attend university. Nevertheless, if the Department is in fact going to promote human rights and equality of opportunity, then it must change its attitude toward the weak and small group of American Indians. The following information may be of help in recruiting American Indians:

*EDUCATION*—In 1974–75 approximately 15,500 Indians were attending colleges and universities on BIA scholarships. The National Educational Research Center estimated in 1970 there were about 27,600 Indians attending undergraduate schools and 1,608, graduate and professional schools. In FY-75 the Bureau of Indian Affairs allocated \$31.2 million for Indian higher education. In addition to BIA there are eight other Federal Departments and agencies, e.g., Office of Education, involved in providing some sort of assistance to American Indians.

Colleges and universities with large enrollment of American Indians are:

- New Mexico, Univ. of
- Arizona State
- Arizona, Univ. of
- Univ. of California at Berkeley
- UCLA

- Harvard
- Dartmouth
- Washington, Univ. of and State Univ.
- Colorado, Univ. of and State Univ.
- Utah, Univ. of
- Brigham Young Univ.

The following schools of higher education are operated by the Bureau of Indian Affairs:

- Haskell Indian Junior College
- Southwestern Indian Polytechnic Institute

*ASSISTANCE OF THE BUREAU OF INDIAN AFFAIRS*—It is my understanding that the major objective of the BIA is to protect and advance the welfare of American Indians and Alaskan Natives. Therefore, the Bureau will assist and advise whoever wants to promote the welfare of American Indians. Aside from its central office in Washington, there are 12 regional offices and 82 agencies located throughout the U.S. As of June 30, 1976, BIA had 15,431 permanent employees of which 63.7% were American Indians. The Department, therefore, should:

- Seek the assistance and advice of the BIA in recruiting American Indians;

- Request BIA to detail two or three Indians from that agency to the Department (BEX) for recruiting assignment;

- The Department could recruit American Indians who are employed by the BIA for employment in the Foreign Service through FSR/JO or Mid-level programs.<sup>9</sup>

*RECRUITING AMERICAN INDIANS THROUGH NATIONAL ORGANIZATIONS*—There are approximately 20 national non-profit American Indian organizations. They range from specialized professional organizations, e.g., Indian Nurses Assoc., Social Workers, law, etc., to the broader area of civil rights, congressional and government relations. Soliciting assistance from these Indian organizations would be an excellent means of attracting qualified Indians to the Foreign Service. Major Indian organizations that are located in Washington are:

- Institute for the Development of Indian Law  
927 15th St., N.W. #200  
Washington, D.C. 20005

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<sup>9</sup> The mid-level program provided skilled Department employees an opportunity to enter the Foreign Service by means other than examination and helped the Department meet its affirmative action goals for equal employment opportunity.

—National Congress of American Indians  
1430 K St., N.W. 7th Fl.  
Washington, D.C. 20005

<sup>10</sup>—National Tribal Chairmen’s Assoc.  
1701 Pennsylvania Ave., N.W. #207  
Washington, D.C. 20006

A complete list of Indian organizations may be obtained from the Bureau of Indian Affairs, Office of Public Information.

*RECRUITMENT VIA OTHER DEPARTMENTS AND AGENCIES*—  
In addition to the Bureau of Indian Affairs, Department of the Interior, there are several other departments and agencies that have special programs for American Indians. The Department can certainly work through these agencies, as well.

—Commerce Department  
Office of Indian Affairs, Economic Dev. Adm.  
—Health, Education and Welfare  
Indian and Migrant Programs  
—Justice Department  
Office of Indian Rights  
—Labor Department  
Division of Indian and Native Programs  
—Small Business Administration  
Office of Program Assistance  
—SENATE, Committee on Interior and Insular Affairs  
—HOUSE, Subcommittee on Indian Affairs  
—SPECIAL CONGRESSIONAL, American Indian Policy Review  
Commission

A complete list of federal departments and agencies having programs for American Indians may be obtained from the Bureau of Indian Affairs, Office of Policy Planning.

#### *E. BRING IN INDIANS VIA ALL PAY SYSTEMS:*

The ultimate objective is, of course, to increase the number of FSOs who are American Indians, but in order to achieve this goal it may be necessary to hire them via all pay systems: FSR, FSS and GS as well as traditional FSO route. A qualified candidate could be brought into the service via the FSR/JO or Mid-level Program. Others with proven work performances could be employed in FSS fields and then prepare the employee for lateral entry into FSO. Or, they could be hired as GS

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<sup>10</sup> This association represents 190 federally recognized Indian tribes on matters relating to the Congress and Federal agencies. [Footnote is in the original.]

and with training could advance and enter the Foreign Service through the Mustang Program.<sup>11</sup> The point is that if the Department and the Foreign Service want to have more than one Indian FSO, then it must be willing to open its doors to bring them in under all systems.

*F. ORIENTATION AND TRAINING THROUGH SUMMER INTERN AND CLERICAL EMPLOYMENT PROGRAM:*

An excellent method of orienting and training American Indians for careers with the Department and the Service is through the summer intern and clerical employment programs. It is too late for this summer, but a special effort should be made to attract Indians for next summer internship and clerical programs. A couple of American Indians who are employed at the BIA told me that they might consider the internship program themselves. The Bureau of Indian Affairs would be of tremendous assistance in recruiting candidates for the intern and clerical programs since the Bureau provides financial grants to some 15,000 Indians in higher education. Furthermore, since the Bureau operates two vocational schools, it could assist with recruiting Indians for the clerical program.

*G. DO NOT HIRE FOR STATISTICS OR "WINDOW DRESSING"*

Are minorities employed by the Department and the Foreign Service for "window dressing" purposes? I have heard from a number of minorities and non-minorities that it is for that reason minorities are employed by the Department. The recently released Clark Report on minority junior officer program also makes this point.

Even though this memorandum is devoted to urging the Department to employ more American Indians, nevertheless, it would do great harm to the Department and to the individual employee if he/she was employed solely to improve its minority statistics, or what some of us referred to as "window dressing." In this connection, I recently had a discussion with an American Indian who has been with the Department since 1969 (GS). When asked whether she would be willing to recruit American Indians, her reply was positively, "no". She explained that she would not have another Indian endure a life of frustration and be treated like "dirt" by the people of the State Department. When asked if she had discussed her working problems with her supervisor, she replied she had but it only does harm because he and others around get unhappy with her when she does. When I recommended that she take her problem to the M/EEO or EEO Officer,

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<sup>11</sup> The Mustang Program was for Civil Service and Foreign Service Specialists seeking entry-level Foreign Service Generalist appointments in one of the four cones: Consular, Economic, Administrative, or Political.

she said, "They're for blacks, and they would not understand me nor be sympathetic to me."

Some officials in the Bureau of Indian Affairs are aware that American Indians in other departments and agencies are having difficulties. Some do go to the BIA for counseling and assistance with their problems. In this respect, I strongly urge the Department to appoint an individual who is able to relate to and to provide counseling to the American Indians. In this connection, may I recommend Mrs. Marida Bourgin, Chief of Minority Programs, Bureau of Educational and Cultural Affairs. In my opinion Mrs. Bourgin probably knows more about American Indians than any non-Indian in the Department. Mrs. Bourgin is highly spoken of at the Bureau of Indian Affairs because of her concerted efforts in the Department (CU) for getting it to recognize the American Indians' heritage, and by sending American Indians on overseas tour as part of the cultural exchange program. Mrs. Bourgin could also make a vital contribution to the recruiting effort.

In preparing this paper on the subject of American Indians, I have tried to be frank, sincere and straightforward (I wonder whether these are best qualities for one to possess in a bureaucratic environment). Nevertheless, even though I am not an American Indian nor a student of Indian Affairs, I wanted to call the Task Force's attention to the sad state of American Indians. It would be most unfortunate if the Task Force passed over our native Americans in its current review of the Department's Equal Employment Opportunity and Affirmative Action Programs. Other minority groups, because of their large numbers and formal organizations, have made impressive presentations to the Task Force, but the American Indians are not that fortunate.

I hope the Task Force will find some useful points in this memorandum, and I do strongly urge the Task Force to give special attention to the American Indians in light of their small numbers and weakness. And as a closing statement I wish to note that the Department and the Foreign Service have been placing far greater value on paper than it does on people; it determines success and promotes its employees on how well they relate to and produce telegrams, airgrams, OMs, etc., rather than on how well they relate to people. The strength and success of nations and institutions are not based on paper dimensions, but rather on human dimensions.

**194. Action Memorandum From the Chairman of the Secretary's Executive Level Task Force on Affirmative Action (Moose) to Secretary of State Vance<sup>1</sup>**

Washington, November 7, 1977

*Report of the Task Force*

On March 15 you appointed an Executive Level Task Force to examine affirmative action efforts in the Department. I am pleased to forward for your consideration the report of its findings.

The goal of the Task Force was to seek, pragmatically and without rhetoric or haste, ways to implement a meaningful affirmative action program in the Department of State. We proceeded on the premise that in addition to providing more equitable opportunities for women and minority group individuals, a sound and vigorous affirmative action program would make the Department a more effective institution and one more truly representative of our Nation. Through a successful affirmative action program we would expect to sharpen our sensitivity to new foreign policy challenges and to bring the Department into closer touch with the American people.

Although the Department has had an affirmative action program for several years, it has so far made little headway. For example, at the end of 1976 less than ten percent of Foreign Service officers were women and only four percent came from minority backgrounds. Of our Civil Service employees, minority group members constitute less than four percent of the senior level, while 47 percent of all minority individuals are found in the lowest six grades. Similarly, women occupy 16 percent of senior-level Civil Service positions in the Department.

In our view, this situation is inconsistent with our American value system. The existing imbalance in the Department's personnel structure affects us all. Accordingly, we believe that prompt and determined steps must be taken at all levels and in all areas of the Department in order to assure the success and integrity of our affirmative action program.

The Task Force divided itself into two committees to examine in detail *Selection and Hiring Practices* and *Upward Mobility and Handicapped Programs*, and our report is presented under these two broad headings. At Tabs 1 and 2 you will find summaries of the two committees' findings and recommendations. The complete report of each committee

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 6, Chron November 1977. No classification marking.

with appropriate backup material is contained in loose-leaf binders accompanying this memorandum.<sup>2</sup>

During its deliberations, the Task Force sought advice and comments from a wide spectrum of employees and special emphasis groups. Each committee included members from all levels of the Department. Special emphasis groups consulted included the Thursday Luncheon Group,<sup>3</sup> the Hispanic Group, the Women's Action Organization, and the Asian-American Foreign Affairs Employees Caucus.

The Task Force did its best to reconcile natural and inevitable differences of opinion among the members, and in large measure it succeeded. The only major recommendation on which the group was not unanimous was that proposing a considerable expansion of the two special programs, one for minorities and one for women (Recommendation 29 singled out for your attention at Tab 3). It was the consensus of the Task Force that the limited number of women and minorities in the Foreign Service constitutes an important problem and Recommendation 29 is the Task Force's proposal for meeting it. You should know, however, that the Director General, Carol Laise, did not concur in this recommendation. The Task Force believes that you should be made aware of her concerns. In her words, they are:

—If the targets are met, and if the present limits on the Department's overall personnel levels continue, adoption of the recommendation would mean that less than 40 percent of all intake would come into the Foreign Service via the regular Foreign Service examination route.

—Larger special programs without a consequent expansion in numbers of positions could have a negative effect on our efforts to recruit more women and minorities through the regular Foreign Service examination and on the promotion prospects for women and minorities presently in the Service.

The majority of the Task Force believes, however, that the benefits of increasing the size of the two programs outweigh these two possible negative effects, neither of which they believe is inevitable. In particular, we believe that we should be able to strengthen our recruiting programs aimed at bringing more women and minorities into the Foreign Service through the examination method. You will note that the Task Force recommends a review of the progress of recruitment in June 1978. At that time, adjustments will be made, if appropriate, in target numbers for the special programs, depending upon the extent to which we have been able to increase the number of women and

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<sup>2</sup> Not attached.

<sup>3</sup> A group within the Department of State that promoted African American and minority participation in U.S. foreign policy formulation and implementation.

minority group members entering the Service by way of the examination method.

I recommend that you approve recommendation 29 as proposed. While some may find comfort in the rationalization that the situation and representation of women and minorities in the Department of State today is no worse than that found in other parts of the Government, we cannot accept the present state of affairs. It is an unfortunate reality that minority members, women and handicapped persons generally do not regard the foreign affairs agencies of the Government as offering equal employment opportunities. Many members of these groups already employed in these agencies do not feel that they have been fairly treated. We believe that the Department, given its world-wide role and exposure, simply must do better and must be more aggressive in pursuing affirmative action.

Our recommendations are quite varied in their character and scope, in the speed with which they could be put into effect, and in their impact on our present system. Therefore, before you take definitive action on the Task Force Report, I would recommend that you seek the views of Ben Read whose task it will be to carry out the new programs and to secure the assent of AFSA to those recommendations on which the employee representative has a right to be consulted.

The implementation and follow-up phases of our affirmative action effort will be of critical importance, and I thus want to call your attention to the Task Force proposals that we:

1. Lodge administrative control in the office of the Deputy Assistant Secretary of State for Equal Employment Opportunity. This office would be authorized to establish working groups to develop further implementation procedures for specific approved recommendations.

2. Include approved recommendations in the Department's affirmative action plans. Deadline dates and responsible action offices would be clearly designated.

3. Keep the Task Force in being for an indefinite period of time. It should meet at least quarterly to enforce implementation and monitor progress in all foreign affairs agencies. The Task Force would be empowered to require responsible offices and officials to explain delays or problems encountered in implementation of any recommendation.<sup>4</sup>

In closing I wish to add a personal note. During the few months in which it was my privilege to serve as Deputy Under Secretary of State for Management, no area of responsibility was more perplexing

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<sup>4</sup> In the margin of paragraphs 1, 2, and 3, Vance wrote "OK." Underneath "OK", an unknown hand wrote "11/8/77." Typed in the margin next to paragraph 3 is the following explanation, "Per G Mitchell Secy Apv'd Nov. 8."



to me than that of affirmative action. Through the fault of no individual and, indeed, despite the devoted efforts of some, the system does not function well in this area.

The remedy is clear. Progress will come only as the result of living, daily concern and action by executives and supervisors at all levels.

While I found the affirmative action effort enormously frustrating at times, I also found our few accomplishments in this area more satisfying than any I have had in the Department.

## **Tab 1**

### **Summary of a Report Prepared by the Committee on Selection and Hiring Practices, Secretary's Executive Level Task Force on Affirmative Action<sup>5</sup>**

Washington, undated

#### *Report on Selection and Hiring Practices—Summary*

#### **FINDINGS**

The Committee examined the Department's image and its recruitment procedures as they affected women and minority group members. Simply put, the Committee focused on the Department's relationship with people up to the moment of entrance on duty. It also studied in detail the two affirmative action programs.

Its principal findings follow:

##### *1. Image.*

A. Women and minorities generally view the Department as an inhospitable and alien environment, lacking in role models.

B. Problems of image and problems of recruitment are fundamentally interrelated; increased and more favorable knowledge about the Department and its work would have an automatic recruitment payoff.

##### *2. Recruitment.*

A. Recruitment efforts, particularly of women and minorities at professional levels, have not been very effective because of the Department's poor image, a lack of resources, and the absence of centralized recruitment, particularly for FSR positions.

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<sup>5</sup> No classification marking.

B. Recruitment must be carefully targeted to reach the people we want and need without at the same time creating unrealistic expectations about extensive employment opportunities with the Department.

### *3. Selection.*

A. Officials making selections for FSR and GS positions make their decision without reference to equal employment opportunity goals. Bureaus frequently simply refer the name of a pre-selected individual to the Office of Employment.

B. The written examination, of crucial importance in FSO selection, must be a neutral screen insofar as women and minorities are concerned.

### *4. Affirmative Action Hiring Programs.*

A. Neither the junior officers hiring program for minorities which began in 1967 nor the mid-level program for women and minorities which began in 1975 has met its annual hiring goals, although the former program expects to do so this year.

B. A period of time as a reserve officer before conversion to tenured career FSO status is a desirable part of both programs, but the current requirement for *both* an oral examination for initial entry into the programs *and* a lateral entry oral examination for conversion to tenured career status is not essential; the Committee found that one oral examination should be sufficient.

### *5. Schedule C Hiring.<sup>6</sup>*

The career system will inevitably bear the brunt of corrective actions that will be needed to give women and minorities better representation in the Department, but for reasons of equity and as a demonstration of serious commitment, it is important that the senior officers of the Department appoint a more significant number of women and minorities to Schedule C and executive-level positions than is now the case.

### *6. Lateral Entry.*

Because the Mid-level Hiring Program for Women and Minorities has only a five-year life, and because no lateral entry program now exists for entrance from outside the Department for white males (leaving the Department open to possible legal challenge, particularly if the

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<sup>6</sup> Schedule C employees are those hired by a Presidential appointee or agency non-career appointee and thus are in a category of Federal excepted service in which normal competitive hiring procedures do not apply.

Supreme Court finds for the plaintiff in the Bakke case this fall),<sup>7</sup> the Committee believes it necessary to reinstitute an opened-up lateral entry program.

*7. Medical and Security Clearances.*

A. Medical standards for the Foreign Service need to be reviewed periodically to take account of advances in medical technology.

B. Security standards should be reviewed for possible changes that can reduce the amount of time required for a full field investigation.

As a result of these and other findings, the Committee made 43 recommendations. The Committee recognized that some of its recommendations touch on areas that will require consultation with the elected employees' representative; the recommendations were made without addressing the question of consultability.

*8. Image. The Committee recommended:*

A. That the Department develop a public affairs strategy on image and recruitment, to include the possible development with the Advertising Council of a nationwide media program (Recommendations 36 and 43).

B. That the Department expand its public affairs activities, making use of its women and minority officers where possible, to include an expanded speakers' program, increased participation of women and minorities in international conferences, and participation in the National Conference on International Women's Year in Houston in November (Recommendations 37, 38, 39, 40 and 41).

C. That an officer in the Office of Equal Employment Opportunity clear all publications of a general nature and especially recruitment literature (Recommendations 12 and 42).

*9. Recruitment. The Committee recommended:*

A. That the Department centralize and strengthen its recruitment for all pay plans (Recommendations 2 and 3).

B. That certain specific actions be taken, including a new recruitment brochure, a half-hour tape for college campus radio stations, feature articles on women and minority officers, recruitment seminars, and, possibly, a first-rate documentary film (Recommendations 4, 5, 7, 9, 10 and 11).

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<sup>7</sup> Reference is to *Regents of the University of California v. Bakke*, 438 U.S. 265 (1978). The court deemed that Allan Bakke's exclusion from the University of California Davis medical school minority-admission program because he was white was unconstitutional and required the school to admit Bakke.

C. That the Department contract for the professional development of an affirmative action recruitment plan (Recommendation 1).

D. That the Department develop a special intern program, coordinate recruitment with the Peace Corps using their on-campus representative, establish a Cooperative Education Program, and seek to use participants in work programs under the Intergovernmental Personnel Act<sup>8</sup> as informal recruiters (Recommendations 6, 8, 16 and 17).

[Page 4 of the original is missing.]

*12. Schedule C Hiring. The Committee recommended:*

A. That the Deputy Under Secretary for Management report to the Secretary twice a year what Schedule C hiring has taken place under the authority of each of the principal officers of the Department, broken down by sex and minority status (Recommendation 28).

*13. Medical and Security Clearances. The Committee recommended:*

A. That the Department review security procedures to shorten the time required for pre-employment clearances, and that in particular it expedite clearances for those hired under the mid-level program (Recommendations 32 and 33).

B. That an Applicant Review Panel to judge the suitability of applicants for employment be more representative, and also be used to review medical standards (Recommendations 34 and 35).

In conclusion, the Committee stresses that resources in money and personnel are essential to the implementation of many of the 43 recommendations. The bureaus most heavily tasked have some capacity to take on responsibility for implementation of many of the recommendations within current resource capabilities; but other recommendations will require the allocation of both funds and new positions. A first, very rough estimate of what will be needed after the bureaus have absorbed all possible costs would require approximately \$500,000 and a minimum, initially, of eight positions. The Committee feels strongly that its recommendations should not go unimplemented simply because resources are not available or because other programs receive a higher priority. To cite lack of resources as the reason for lack of implementation would be inconsistent with the Department's commitment to equal employment opportunity.

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<sup>8</sup> P.L. 91-648.

## Tab 2

**Summary of a Report Prepared by the Committee on Upward Mobility and Handicapped Programs, Secretary's Executive Level Task Force on Affirmative Action<sup>9</sup>**

Washington, undated

*Report on Upward Mobility and Handicapped Programs—Summary*

## GENERAL CONCLUSIONS

The Committee on Upward Mobility and Handicapped Programs examined the Department's personnel practices to identify ways to enhance equal employment opportunity for our employees. It accorded special attention to the subject of handicapped persons.

Shaping the Committee's analysis was the assumption that the Department's work force will remain stable in the foreseeable future: our numbers will not increase and attrition rates will be low. In view of these factors the Committee concluded that while we should continue efforts to reform recruitment practices, affirmative action programs should concentrate primarily on current employees. In the years ahead, the Department must seek inventive means of reallocating existing resources to meet new priorities, including affirmative action.

## FINDINGS AND RECOMMENDATIONS

1. *Leadership.* The Committee found that the single most important element in equal employment opportunity is leadership at the top management levels of the Department. The Committee recommended:

A. That the Secretary set the example at staff meetings by insisting that administrators at the level of Assistant Secretary and above involve themselves in furthering equal employment opportunity. The Deputy Assistant Secretary for Equal Employment Opportunity should be present at such meetings to give advice and counsel.

B. That Assistant Secretaries should enter into the same process with their deputies and ambassadors.

C. That executive directors and administrative officers overseas should be charged with the responsibility for monitoring and facilitating the implementation of affirmative action programs.

2. *Education and Information.* The Committee recommended:

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<sup>9</sup> No classification marking.

A. That existing equal employment opportunity training programs be greatly expanded.

B. That training be required for supervisors and others who make personnel decisions.

C. That equal employment opportunity training be given in conjunction with chief of mission and other overseas conferences.

3. *Upward Mobility.* Support employees in both the Foreign Service and Civil Service are all too often locked into dead-end positions. The Committee recommended:

A. That the Department develop a formal upward mobility program for the Civil Service.

B. Reform of the present Mustang Program for the Foreign Service.

C. Development of a new upward mobility program for Foreign Service employees who wish to fill positions in other specialties.

4. *Training.* Recognizing that training is almost always necessary to qualify for advancement, the Committee recommended:

A. Comprehensive training programs for the Civil Service.

B. An improved system for identifying training needs and responding to training requests.

C. Improved training opportunities for neglected groups such as secretaries and communicators and consular officers.

D. Encouraging supervisors to integrate affirmative action into on-the-job training.

5. *Career Planning and Development.* The Department needs a comprehensive program of career planning and development which is tied closely to training. It must be managed by experienced personnel counselors. The Committee recommended:

A. Training programs for personnel counselors.

B. Specific mechanisms for identifying troubled employees.

C. A system for analyzing feedback from employees concerning the effectiveness of counseling.

6. *Orientation.* Women and minorities, as a major element of the work force, are significantly affected by the quality of orientation programs. The Committee found that orientation is weak at the Bureau and Office level and recommended:

A. Required orientation for persons newly assigned to bureaus, domestic field offices and overseas posts.

B. That supervisors be instructed to brief newly arrived employees.

C. That orientation material be periodically reviewed and updated.

7. *Assignments.* The Committee concluded that the assignment process is an area in which the Department should take an aggressive affirmative action stance. It recommended:

A. Lateral transfers to enable employees who are in dead-end careers to gain new opportunities for advancement.

B. “Stretch assignments,” i.e. assignments at higher grade levels for Foreign Service personnel in equal employment opportunity categories.

C. Procedures to ensure that employees in equal employment categories are considered for all vacancies, and that situations of *de facto* discrimination are discontinued.

D. Special efforts to include women and minorities among those considered for high visibility positions such as Office Director, DCM and Ambassador.

8. *Position Classifications*. Position descriptions sometimes contain stereotypes that tend to freeze women and minorities in dead-end jobs. The Committee recommended:

A. Annual reviews of all position descriptions.

B. That position classifiers receive training to ensure their sensitivity to equal employment opportunity.

9. *Performance Evaluations*. The Department has taken steps in recent years to purge performance evaluations of bias and stereotypes. To institutionalize that progress, the Committee recommended:

A. That performance evaluations comment on contributions to equal employment opportunity and affirmative action.

B. That performance evaluations record training completed in equal employment opportunity.

C. That rating officers provide a full evaluation on employees in dead-end positions.

D. That rating officers give consideration to those in equal employment opportunity categories when assessing potential for future assignments; i.e. consideration of women for ambassadorships.

10. *Promotions*. Promotions stand at the end of the affirmative action process and tend to reflect the degree to which assignments, training and position classification have been successful in providing equal employment opportunity. Bearing this in mind, the Committee’s recommendations dealt more with promotion panel procedures than with allocating promotions. They included:

A. Revising Foreign Service precepts to insure that they stress affirmative action.

B. Appointing women and minorities to Selection Boards and Merit Promotion panels for the Civil Service.

C. Including, when possible, women and minorities on lists of best qualified candidates for Civil Service promotions.

D. Before management makes final determinations on the number of Foreign Service promotion opportunities per conal specialty, it

should take into consideration the effect this will have on minorities and women.

11. *Handicapped Program.* The need for a handicapped program was considered separately by the Committee, because the Department has no personnel program directed toward the handicapped. The world-wide availability requirement for entry into the Foreign Service debarred handicapped persons, and the Department ignored this minority. This policy defeats the intent of the Rehabilitation Act,<sup>10</sup> which encourages selective waivers of medical requirements. The Committee recommended the following actions:

A. Appointment of a coordinator for the handicapped persons for domestic duty.

B. Accelerated recruitment and hiring of handicapped persons for domestic duty.

C. Making building modifications worldwide to accomodate handicapped employees.

D. An annual review of medical standards for the Foreign Service.

The Committee also urged immediate review of the following proposals:

A. Instituting waivers of Foreign Service medical standards.

B. Designation of overseas posts suitable for handicapped persons.

C. Development of a junior officer program for the statically (as opposed to degeneratively) handicapped.

12. *Monitoring, Inspections and Reviewing.* The test of the Department's commitment to equal employment opportunity will be the implementation of the Task Force's recommendations. The Committee recommended:

A. Charging S/IG with responsibility for inspecting equal employment opportunity and affirmative action.

B. Appointing a panel for the implementation and review of Task Force recommendations.

C. Implementation of the recommendation in the Rouse report<sup>11</sup> with respect to functions of M/EEO and charging that office with monitoring responsibilities.

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<sup>10</sup> P.L. 93-112.

<sup>11</sup> Not further identified.



**Tab 3**

**Paper Prepared by the Secretary's Executive Level Task Force  
on Affirmative Action<sup>12</sup>**

Washington, undated

*Recommendation 29*

The Department will emphasize recruitment of women and minorities, setting as a goal that shortfalls in the target levels for the two special programs be made up by 1980. This would mean that:

a. The FSR/JO program could recruit against a target of 68, in addition to the annual target of 20.

b. The Mid-Career Program could recruit against a target of 27, in addition to the annual target of 20.

Every effort will also be made to increase the number of women and minorities qualifying for entry through the examination process. The Task Force will review all recruitment in June 1978 to adjust target goals as necessary to insure that objectives are being met.

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<sup>12</sup> No classification marking.

**195. Letter From David C. Kane, EEO Complaints Examiner, Civil Service Commission to the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs)<sup>1</sup>**

Washington, November 9, 1977

Dear Mr. Burroughs:

This constitutes my recommendations under the provisions of section 713.604 of the Civil Service regulations<sup>2</sup> for the acceptance or rejection of the class complaint filed on May 12, 1977, at the Department of State by Laurel M. Cooper, Mary Finrow, Mary Lee Garrison, Mary Hartman, Marguerite Cooper King, Alison Palmer, Mary A. Ryan, Amelia Ellen Shippy, American Federation of Government Employees (AFGE) Local 1534, Thomas Legal Defense Fund, and Women's Action Organization, in behalf of themselves and all present and future female Foreign Service Officers (FSO) and all present and future female applicants for FSO positions. The basis of the complaint is that the Department of State has implemented policies and engaged in practices which have systematically deprived class members, including the individual agents noted above, of equal employment opportunity on the basis of sex with respect to recruitment, examination, appointment, training, position assignments, evaluations, promotions, cone assignments, professional stature and recognition, awards, termination, and affirmative action.

The current complaint is the successor to a class complaint filed with the Department of State on June 17, 1976. That complaint was rejected by the Department of State on July 15, 1976, on the basis that the Civil Service regulations did not provide the Department with the authority to accept a class complaint. A class action was then filed in the Federal District Court for the District of Columbia. The Court issued its decision on December 6, 1976. In that decision the Court dismissed Finrow, Cooper, Hartman, Ryan and King from the action because they had not filed administrative complaints; dismissed AFGE Local 1534, Thomas Legal Defense Fund and the Women's Action Organization from the action because the court lacked jurisdiction under 42 USC section 2000-16 to entertain their claims; denied certification of the class

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 6, Chron November 1977. No classification marking. Sent by registered mail with return receipt requested. Received in M/EEO on November 15. A copy was sent to Helen Cohn Needham of the Law Offices of Bruce J. Terris, attorney for the plaintiffs. An unknown hand wrote at the top of the letter, "Decision No: DC713A80003."

<sup>2</sup> Section 713.604 of the Civil Service regulations concerns acceptance, rejection, or cancellation of class complaints of discrimination.

because the remaining complainants—Palmer, Shippy, and Garrison—were not fair and adequate representatives of the class; and remanded the claims of Palmer, Shippy and Garrison to the State Department to be processed as individual complaints.

On December 17, 1976, Ovsanna Harpootian together with Cooper, Finrow, Hartman, King, and Ryan, filed individual complaints and AFGE Local 1534, Thomas Legal Defense Fund, and Women's Action Organization filed third party complaints. On January 12, 1977, Harpootian withdrew her complaint because of her pending retirement. In February of 1977, Palmer, Shippy, and Garrison also filed individual complaints with the agency. Although, these complaints were not filed as class complaints, they all raised substantially the same class issues that were raised earlier.

In March of 1977, the parties agreed to process the complaints, under the Civil Service class complaint regulations which would become effective in April of 1977. In accord with its understanding of the agreement, the Department cancelled all complaints except those of Palmer, Shippy and Garrison. In addition the agency decided to waive the time limits set forth in section 713.602 of the Civil Service class complaint regulations<sup>3</sup> for Palmer, Shippy, and Garrison. The attorneys for the proposed class objected to the cancellation of the individual and third party complaints and advised the agency that all the complainants should be treated as agents for the proposed class.

On April 4, 1977, Palmer contacted an EEO Counselor and submitted to the Counselor a 44 page document entitled "Specification of Charges". The Counselor considered Palmer as the spokeswoman for Shippy and Garrison, but did not consider her as the representative of any of the other named individuals or organizations. The counseling was unsuccessful and Palmer was sent a notice of final interview of May 4, 1977. On May 12, 1977 Cooper, Finrow, Garrison, Hartman, King, Palmer, Ryan, Shippy, AFGE Local 1534, Thomas Legal Defense Fund, and Women's Action Organization filed a class complaint as agents for the class of present and future female applicants for FSO positions and present and future female FSOs.

The Civil Service class complaint regulations requires the agent for the proposed class to contact an EEO Counselor within 90 days of the matter giving rise to the agent's allegation of individual discrimination. The agent must advise the counselor that she intends to file a class complaint and must submit the individual and the class aspects of the complaint to counseling. If the counseling is unsuccessful, the

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<sup>3</sup> Section 713.602 of the Civil Service regulations concerns to precomplaint processing of class complaints of discrimination.

agent has 15 days from her receipt of the notice of final interview in which to file a signed and written formal complaint. The formal complaint, together with subsequent submissions under section 713.604(d) of the Civil Service regulations must set forth specifically and in detail: 1) a description of the agency personnel management policy or practice giving rise to the complaint; and 2) a description of the resulting matter which adversely affected the agent. The allegations raised in the complaint must be within the purview of part 713, subpart F of the regulations,<sup>4</sup> and cannot consist of allegations that were contained in a previous complaint filed in behalf of the same class which is pending in the agency or which has been resolved or decided by the agency.

Finally, the class must be so numerous that a consolidated complaint of the class members would be impractical, the complaint must raise common questions of fact, the claims of the agent must be typical of the claims of the class, and the agent or her representative must fairly and adequately protect the interests of the class.

The agents raise a number of preliminary questions concerning the class complaint regulations which need to be resolved before the recommendations are made.

First, the agents argue that Federal Court decisions concerning Title VII class complaints brought under Rule 23 of the Federal Rules of Civil Procedure are controlling on federal employees' rights under part 713, subpart F, of the Civil Service regulations. Although there are similarities between the Civil Service class complaint regulations, Rule 23 of the Federal Rules of Civil Procedure, and the case law developed by the Federal Courts, there are also differences; and where these differences exist, the Examiner is required to follow the regulations which were approved and promulgated by the Civil Service Commission. Consequently, the Examiner rejects the agents' argument that prior Federal Court decisions control federal employee rights under the administrative class complaint regulations.

The second question concerns the standing of the proposed agents to represent the asserted class. The agents contend that they should all be allowed to represent the class of present and future female Foreign Service Officers and present and future applicants for Foreign Service Officer positions on each and every allegation raised by the class complaint. Alternatively, if multiple agents are not permissible under the Civil Service regulations, the agents contend that a single agent should be allowed to represent the class across the entire spectrum of alleged discriminatory employment practices. In support of the latter position, the agents cite a substantial body of case law which

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<sup>4</sup> Class Complaints of Discrimination.

supports the proposition that an agent for a class alleging pervasive and systemic discrimination, such as the current class complaint, has standing to represent the class in all of the questioned employment practices as long as the agent alleges that she was adversely affected by at least one of the practices.

The Civil Service regulations define a class as a group of agency employees, former agency employees, and/or applicants for employment with the agency. The regulations do not provide for the inclusion of future employees or future applicants in the class. Only one agent may bring the complaint in behalf of the class and that agent, in order to have standing to attack a particular policy or practice, must have been personally adversely affected by the questioned policy or practice. In view of the regulations, the Examiner finds:

- 1) a class may not consist of future employees or applicants;
- 2) only one agent can bring a complaint in behalf of a class; and
- 3) a class complaint may not attack any alleged discriminatory policy or practice unless the agent was personally adversely affected by that policy or practice.

The last question concerns timeliness. The agents argue that the 90 day time limit for contacting a counselor should not bar a class complaint arising from a matter which occurred outside the time limit if it is alleged that the pattern of discriminatory conduct continued into the 90 day period. The Examiner recognizes that there is support in the case law for this argument. However, the Civil Service regulations do not provide for the expansion of the time limit on the basis of an allegation that the pattern of discriminatory conduct continued into the 90 day period, and the regulations have not been interpreted to allow for the expansion of the time limit on such a basis. As a result, the Examiner finds that an alleged continuing pattern of discriminatory conduct is not a sufficient reason to extend the time limit for contacting a counselor or to accept a class complaint which would otherwise be untimely.

The agents assert, even in the absence of an allegation of a continuing pattern of discriminatory conduct, that some matters occurring outside the 90 day time period, such as evaluations, training, assignments, etc., should be considered timely because they are matters of record and they are used by the Department in making current employment decisions which the agents can challenge in a timely fashion. The Examiner disagrees. The Department is entitled to treat past actions affecting employees as lawful if they are not subject to timely complaints. The fact that those past acts are factors in a current employment decision does not renew the employee's opportunity to challenge them. Accordingly, while past actions may be used as evidence in regard to

a timely issue of discrimination, they, themselves, cannot be considered as timely claims and cannot be treated as such.

Finally, the agents argue that the Examiner should recommend that the time limits for Palmer, Shippy, and Garrison be extended because the Department has already stated that it would waive the time limits for these three proposed agents. The agents also argue that the time limits for Cooper, Finrow, Hartman, King and Ryan should be extended to May 5, 1976, 90 days prior to the date on which these agents joined the class action that was pending in Federal District Court. The latter argument is based on the propositions that the Department would not be harmed by the extension as it has known about the class complaint since June of 1976, and that it would be unfair to the agents not to do so because their failure to file timely administrative complaints was based on their belief that they could assert their claims in the class action which was then pending in Federal District Court.

The Examiner's authority to recommend the extension of the time limits is limited to situations where it is shown that the agent was unaware of the time limit or was prevented by circumstances beyond her control from acting within the time limit. The Examiner finds that the agents have not met these criteria and, therefore, will not recommend the extension of the time limit for contacting a counselor. The Examiner, of course, is aware that the Department has indicated that it will waive the time limits for Palmer, Garrison, and Shippy, but under the regulations the Examiner cannot rely on the waiver in making the recommendations.

In anticipation of the Examiner's rulings concerning standing and timeliness, the agents have divided their original class complaint into ten separate parts corresponding to the allegations. A primary and a secondary agent was then selected for each allegation as follows:

Alleged Discriminatory Practices and Policies	Primary Agent	Secondary Agent
1. Training	Palmer	Ryan
2. Position Assignments	Palmer	King
3. Evaluations	Palmer	Shippy
4. Promotions	Palmer	King
5. Cone & Function Assignments	King	Shippy
6. Termination (Selection Out)	Palmer	King
7. Awards	Palmer	None
8. Denial of Professional Stature & Recognition	Palmer	King
9. Lack of Affirmative Action	Palmer	Shippy
10. Recruitment, Examination, and Appointment	Hartman	Ryan

For purposes of analysis, each of these allegations can be considered a separate class complaint which must meet all the requirements for a class complaint before it can be accepted.

As noted above, four of the criteria for the maintenance of a class complaint are numerosity, commonality, typicality, and adequacy of representation. In this complaint, the record reveals that there are more than 300 female FSO's employed at the Department of State. The record does not disclose the number of female applicants involved in the complaint, but the Examiner finds it reasonable to believe that their number is sufficiently large to make consolidation impractical. Each of the allegations raises a common question of sex discrimination and the agents' claims of sex discrimination are typical of the claims of the asserted class. The record shows that the agents' representative is adequate and does not present any reason to believe that the interests of the agents are in conflict with the interests of the class members. The Examiner is aware that the Federal District Court found that Palmer, Shippy, and Garrison were "not adequate and fair representatives of the class" on the basis that the prospective class members failed to express interest in the action when their support for the action was solicited. However, the Civil Service regulations do not require prospective class members to express interest in the complaint in order to find that the agents would fairly and adequately protect the interests of the class. In view of the above, the Examiner finds that each of the allegations meets the requirements for numerosity, typicality, commonality, and adequacy of representation. The remaining relevant requirements for the maintenance of a class complaint, together with the Examiner's recommendations, are discussed below under the separate allegations.

### *Training*

Palmer contends that she has been subjected to discrimination by the Department's policies and practices relating to training, and raises the claim in behalf of herself and the class of female FSO's. The record shows that on February 5, 1977, Palmer was notified that she was denied training. The Examiner finds that Palmer was adversely affected by the alleged discriminatory training policies and practices within 90 days of the counselor contact, and since the other criteria for a class complaint are met, recommends that Palmer be accepted as the class agent and that the allegation be accepted as a class complaint.

### *Position Assignments*

Palmer contends that she has been discriminated against by the Department's policies and practices in assignments to positions within her assigned cone. Specifically, she alleges that she has been assigned to a position with less substantive importance and less supervisory authority than male FSO's. She seeks to challenge the Department's

position assignment policies and practices on behalf of herself and the class. The record shows that Palmer was assigned to the position of Agency Director for International Labor in July of 1975 and has continued in that position through the filing of the formal class complaint. Because her assignment to that position has been continuing and because the Department's decision not to assign her to another position has been continuing, the Examiner finds that this allegation arises from a matter occurring within 90 days of the counselor contact and is, therefore, timely. Since the other criteria for a class complaint are met, the Examiner recommends that the agency accept Palmer as the class agent and accept the allegation as a class complaint.

### *Evaluations*

Palmer and Shippy allege that they have been subjected to discrimination by the Department's employee evaluation practices and policies. Each proposed agent seeks to challenge these policies and practices in behalf of herself and the class. The record shows that Palmer received performance evaluations in June of 1976 and 1977. Because Palmer's first evaluation occurred more than 90 days before the counselor contact and the second evaluation occurred after the filing of the class complaint, and, therefore, could not have been submitted to the required counseling, the Examiner finds that Palmer cannot be the class agent on the question of evaluations. In contrast, Shippy received a memorandum of performance in February of 1977. Inasmuch as this memorandum was written within the 90 day period preceding the counselor contact and inasmuch as the other conditions of a class complaint are met in regard to Shippy, the Examiner recommends that the agency accept Shippy as the class agent and that the allegation be accepted as a class complaint.

In addition to the current evaluations, Palmer and Shippy specifically alleged that the 1974 performance evaluation discriminated against female FSOs. Because the 1974 performance evaluation occurred before the 90 day period for contacting a counselor, the Examiner recommends that this allegation be rejected as being untimely.

### *Promotions*

Palmer asserts that the Department has discriminatory practices and policies in regard to promotions and seeks to question those policies and practices in behalf of herself and the class of female FSO's. The record shows that the last promotion list on which Palmer could have been promoted, and was not, was March 27, 1977. The Examiner finds then that Palmer was adversely affected by the Department's allegedly discriminatory promotion policies and practices within 90 days of the counselor contact. As a result, and because the other criteria for a class complaint are met, the Examiner recommends that the agency



accept Palmer as class agent and accept this allegation as a class complaint.

#### *Cone and Function Assignments*

King and Shippy allege that they have been discriminated against by the Department's cone and function assignment policies and practices in that they were denied assignments in the political cone. Each proposed agent seeks to challenge these policies and practices in behalf of herself and the class of female FSO's. The record shows, however, that King has been continuously assigned to the political cone since 1968 and that Shippy has been continuously assigned to the political cone since October 1973. Because neither of the proposed agents have been adversely affected by the Department's practices and policies concerning cone and function assignments within 90 days of the counselor contact, the Examiner finds these claims untimely. Because neither of the nominated agents can assert a timely complaint, the Examiner recommends that this allegation be rejected.

#### *Termination (Selection Out)*

Palmer and King allege that they will be subject to termination through selection out procedures sometime in the future. Each agent seeks to challenge the Department's selection out practices and policies as discriminatory in behalf of herself and the class of female FSOs. However, as of this date neither of the proposed agents have either been terminated or actually subjected to the selection out procedures. Because these proposed agents have not been adversely affected by the practices and policies which they wish to contest, the Examiner finds that they lack standing under the Civil Service regulations to bring a class complaint. The Examiner recommends that the agency reject this allegation as a class complaint.

#### *Awards*

Palmer asserts that she has been subjected to discrimination by the Department's practices and policies concerning awards. Specifically, she contends that she was discriminated against in 1970, when she was awarded a Meritorious Service Award rather than the more esteemed Superior Honor Award for which she was nominated. Palmer wishes to attack the Department's policies and practices concerning awards as discriminatory in behalf of herself and the class of female FSO's. But the matter giving rise to Palmer's individual complaint occurred more than 90 days before the contact with the counselor and is untimely. Because Palmer's claim is untimely, she cannot be accepted as an agent. The Examiner recommends that this allegation be rejected.

#### *Denial of Professional Stature and Recognition*

Palmer and King allege that they have been denied professional stature and recognition in various ways because of their sex, and seek

to assert this claim for themselves, as the proposed agents, and for the class. Palmer alleges that she was denied professional stature and recognition in May of 1977 at the International Labor Organization Conference in Geneva when she was: denied access to important meetings with foreigners; assigned menial tasks; denied opportunity to speak on behalf of the United States; paid less per diem than her male counterparts; not kept informed; and not asked her views at staff meetings. She further alleges that she was denied professional stature and recognition because: the Assistant Secretary did not ask her views on the Geneva Conference in June of 1977; she had to surrender office space and move her secretary when her Bureau expanded; her directorate has no reception area; she had inadequate secretarial and professional help; she has been given insubstantial and unimportant assignments; and because she has been barred from listing program direction as a primary skill on her Annual Personnel Audit Report because she has not been given two consecutive program direction assignments. King alleges that she has been denied professional stature and recognition in that: she was told that she would not be permitted to serve in Eastern Europe in 1956; she was not assigned responsible duties in 1958 and 1959; she was not assigned economic or commercial work between 1960 and 1962; she was considered the office mascot rather than a serious professional during 1973 and 1974; and in 1960 she was told that she could not expect to rise to a position of responsibility in the Near East Asia Bureau.

All of the incidents raised by King are untimely since they occurred more than 90 days before the counselor contact and, therefore, she may not be accepted as the agent for the class. The May and June incidents which adversely affected Palmer occurred after the counselor contact and were not submitted to counseling. Because these incidents were not submitted to counseling, and because Palmer has not offered a satisfactory explanation for her failure to submit these incidents to counseling, the Examiner recommends that the portion of this allegation that rests on these incidents be rejected. In addition, inasmuch as the Department's practices and policies concerning position assignments are being challenged by the same class under a preceding allegation, the Examiner recommends that the portion of this allegation that rests on incidents concerning position assignments also be rejected.

The remaining matters relate to inadequate office space, and inadequate secretarial and professional help in Palmer's current position as Agency Director for International Labor. It appears from the record that these alleged discriminatory conditions were in effect during the 90 days preceding the counselor contact. These claims, then, are timely. Because the other criteria for a class complaint are met, the Examiner recommends that the agency accept Palmer as the agent and accept

the allegation as a class complaint as it relates to inadequate office space, inadequate secretarial help, and inadequate professional help. The Examiner does not recommend that the allegation—denial of professional stature and recognition—be accepted as it relates to other matters which did not adversely affect Palmer within 90 days of the counselor contact.

### *Affirmative Action*

Palmer and Shippy claim that their careers as FSO's have been adversely affected by the Department's failure to overcome and eliminate the pattern and practice of sex discrimination against female FSO's through an adequate and effective Affirmative Action Plan and by its failure to implement EEO principles in all aspects of its personnel procedures. Specifically, the agents allege that the Department:

- 1) has not required personnel to attend EEO meetings;
- 2) has not assigned sufficient staff to the EEO Office;
- 3) has not given the EEO Office adequate authority;
- 4) has not provided the EEO staff with adequate computer time;
- 5) has not instructed the overseas posts on EEO principles;
- 6) has not made a commitment at the highest levels to enforcement of EEO;
- 7) has failed to provide adequate counseling for female FSO's in order to protect their careers from discrimination;
- 8) has not taken disciplinary action against officers who have violated EEO principles;
- 9) has allowed assignments of FSO's to be vetoed by the staff of the receiving unit;
- 10) has failed to implement EEO principles in all aspects of its personnel decisions; and
- 11) has failed to implement its own Affirmative Action Plan for FY'76.

Palmer and Shippy seek to assert this claim for themselves, as the proposed agents, and for the class. The first eight practices set forth above relate to the Department's EEO program rather than matters which specifically affected the proposed agents adversely. While it is true that the alleged inadequate EEO program might create an environment in which it is more likely that the agents would be subjected to discrimination, that type of effect is not sufficient under the Civil Service regulations to confer standing upon the proposed agents to challenge the EEO program practices and policies. Accordingly the Examiner recommends that the agency reject the portion of this allegation that relies on the first eight practices noted above. The ninth practice appears to concern position assignment practices and policies on which

the Examiner has already recommended acceptance. Because of this previous recommendation the Examiner recommends that this practice be rejected from this allegation.

The tenth and eleventh practices refer in part to the Department's failure to correct practices and policies which allow discrimination to occur in assignments, promotions, training, awards, and evaluations. To the extent that these practices refer to allegations which are otherwise acceptable as a class complaint, the Examiner recommends that they be considered as part of the allegation to which they refer. To the extent that these practices refer to allegations which are not accepted, the Examiner recommends rejection. As the result of the Examiner's recommended handling of the practices challenged under this allegation, the Examiner recommends that this allegation be rejected as a class complaint.

#### *Recruitment, Examination, and Appointment*

Hartman and Ryan allege that they have been discriminated against by the Department's policies and practices relating to recruitment, examination, and appointment, and seek to assert these claims for themselves and for the class of female FSO's and female applicants for FSO positions. The record shows that Ryan was appointed to an FSO position on February 2, 1966, and that Hartman was advised that her application for an FSO position was rejected on June 7, 1976. Because any adverse effects upon the agents which resulted from the Department's recruitment and examination policies and practices must have occurred prior to the appointment decision, and because the appointment decision concerning these proposed agents was made more than 90 days before the contact with the counselor, the Examiner finds that the individual claims on which these agents seek to base the class complaint are untimely. In addition, the Examiner notes that the record does not specifically disclose the adverse effects that the recruitment practices and policies had on either Hartman or Ryan, or the adverse effect that the examination practices and policies had on Ryan. Accordingly, the Examiner recommends that this allegation be rejected as a class complaint.

Throughout all the allegations, the agents have asserted discrimination in connection with many incidents, other than those discussed above, which occurred outside of the 90 day time period for contacting the counselor. After reviewing these incidents, the Examiner finds that they cannot now be raised in a timely fashion and recommends that the agency not accept a class complaint based on any of these incidents.

In summary, the Examiner recommends that the original class complaint be divided into two complaints, and that the class under each complaint be limited to current female FSO's. The Examiner rec-

ommends that Palmer be accepted as the agent for the first complaint which challenges the Department's practices and policies concerning training, promotions, position assignments, and professional stature and recognition, and that Shippy be accepted as the agent for the second complaint which questions the Department's practices and policies relating to evaluations.

The Examiner recommends the rejection of all other allegations.

Sincerely yours,

**David C. Kane**  
*EEO Complaints Examiner*

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**196. Memorandum From President Carter to Heads of  
Departments and Agencies<sup>1</sup>**

Washington, November 17, 1977

Executive Order 11375, signed by President Johnson on October 13, 1967, prohibited discrimination on the basis of sex in Federal employment. Ten years later, it is an appropriate time to reaffirm the Executive Order, assess the progress we have made, and evaluate our current efforts to be a truly equal opportunity employer.

In recent months we have made substantial progress in appointing women to responsible non-career positions; I would like to carry this commitment and effort into the career service as well.

Special efforts will be required from all of us to achieve our goal. I have already asked each of you to cooperate in eliminating sex discrimination from our laws and policies. Today I ask that you work, aggressively and creatively, to provide maximum employment opportunities for women in the Federal career service. This means developing, within merit principles, innovative programs to recruit and hire qualified women and to be sure they have the opportunity for satisfying career development.

As part of the President's Reorganization Project, the Personnel Management Project will soon propose program and policy changes

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<sup>1</sup> Source: National Archives, RG 364, Special Trade Representative, 1977–1979, Box 47, White House Official, 1977. No classification marking. Also printed in *Public Papers: Carter, 1977*, Book II, p. 2034.

for the civil service system.<sup>2</sup> These proposals will have an impact on the employment and advancement of women, and that impact will receive thoughtful consideration.

I will also be receiving reports from the Chairman of the Civil Service Commission on the progress that you are making in increasing the numbers of women in the mid- and senior levels of your organizations. I expect to see significant improvements made in your department or agency as a result of your personal initiatives, and I hope you will be especially sensitive to the concerns of older women and women from minority groups.

**Jimmy Carter**

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<sup>2</sup> See Document 152.

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**197. Letter From the Deputy Under Secretary of State for Management (Read) to Helen Cohn Needham<sup>1</sup>**

Washington, November 25, 1977

Dear Mrs. Needham:

This shall constitute the Department of State Decision, pursuant to 5 C.F.R. 713.604 (i), on the acceptability of the class action sex discrimination complaint filed at the Department on May 12, 1977. Upon a careful review of the Complaint Examiner's recommendations (Decision No. DC 713A80003, enclosed hereto),<sup>2</sup> I have decided to adopt each recommendation with the single modification noted below.

The Complaints Examiner recommended rejection, as untimely, of a general allegation that 1974 performance evaluations discriminated against female Foreign Service Officers. It is my determination to accept that complaint allegation because the inclusion of such reports in existing officer performance files are available for review by Selection Boards and the possibility exists that discrimination could occur. There-

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 6, Chron November 1977. No classification marking. A copy was sent to David Kane at the Civil Service Commission.

<sup>2</sup> See Document 195.

fore, this allegation constitutes a continuing condition and untimeliness in this sense has no relevance. In this regard, I am also mindful of the Department's continuing responsibility under Section 611 of the Foreign Service Act of 1946, as amended, to keep "accurate and impartial efficiency records." Accordingly, Ms. Amelia Ellen Shippy shall be treated as class agent for the Department practices and policies relating to performance evaluation, as determined in this decision.

In conclusion, the Department hereby adopts all recommendations of the Complaints Examiner except for that relating to 1974 performance evaluations to the extent modified herein.

If you are dissatisfied with this Decision, you have the following appeal rights:

You may appeal to the Civil Service Commission within 15 calendar days of receipt of the Decision.

*Your appeal should be addressed to the Civil Service Commission, Appeals Review Board, 1900 E Street, N.W., Washington, D.C. 20415. The appeal and any representation in support thereof must be submitted in duplicate.*

*In lieu of an appeal to the Commission, you may file a civil action in an appropriate U.S. District Court within 30 days of receipt of the Decision.*

If you elect to appeal to the Commission's Appeals Review Board, you may file a civil action in a U.S. District Court within 30 days of receipt of the Commission's Final Decision.

A civil action may also be filed any time after 180 days of the date of initial appeal to the Commission, if a Final Decision has not been rendered.

Sincerely,

**Ben H. Read**

*Director of Equal Employment Opportunity*

198. Department of State Press Release<sup>1</sup>

No. 539

Washington, November 29, 1977

VANCE ACCEPTS TASK FORCE REPORT,  
LAUNCHES EQUAL EMPLOYMENT DRIVE

Today, Secretary of State Cyrus R. Vance launched a concerted effort to recruit more women and minority group members into the Department of State, and to upgrade the employment status of minorities and women already employed by the Department. This action came as a result of the Secretary's acceptance of the recommendations made by the Executive Level Task Force on Affirmative Action.<sup>2</sup> The Task Force, whose membership consists of top level officials within the Department, has met repeatedly since March under the chairmanship of Richard M. Moose, Assistant Secretary for African Affairs.

"I find myself in substantial agreement with the Task Force recommendations," Mr. Vance said. "Specifically, I have accepted the recommendations which call for substantial increases of minorities and women in the Foreign Service."

Among highlights of the report were proposals to:

- Boost the hiring goals of two existing affirmative action programs.

- Centralize recruitment and hiring for all employees.

- Commit senior officers to appointment of "a more significant number" of women and minority group members to executive level positions.

- Establish affirmative action considerations as a factor in personnel performance evaluations, and in promotions.

- Name more women and minority group members to selection boards in the Foreign Service, and to merit promotion panels in the Civil Service.

Mr. Vance asserted: "I am personally concerned that all facets of employment in the Department be free from the taint of discrimination based on an individual's race, color, religion, sex, national origin, age or handicap.

"By now you know the importance placed by this administration on the human rights of all people in our global community. This Department, whose mission it is to conduct the foreign policy of this govern-

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 7, Chron December 1977. No classification marking. Drafted by Burroughs.

<sup>2</sup> See Document 194.



ment, must impress the rest of the world with our concern for human rights by clearly demonstrating that those same rights are guaranteed to our employees at home and abroad. . . .

"I will expect all employees in the Department to cooperate in making equal employment opportunity an integral part of the mission of the Department. This program must become thoroughly institutionalized in the conduct of our daily business."

The Secretary directed the Task Force to remain in existence and to monitor progress for him.

The report noted that, even though the Department has had an affirmative action program for several years, progress had not been impressive. At the end of 1976, less than 10% of the Foreign Service officers were women and minority group members represented only 4% of the Officer Corps. In the Civil Service, 4% of those holding senior positions were minority group members and 16% were women.

Members of the Task Force in addition to Mr. Moose are: Mr. John M. Thomas, Assistant Secretary for Administration; Ambassador Carol C. Laise, Director General of the Foreign Service; Ms. Patricia M. Derian, Coordinator for Human Rights and Humanitarian Affairs; Mr. Hodding Carter, III, Assistant Secretary for Public Affairs; Mr. John A. Burroughs, Jr., Deputy Assistant Secretary for Equal Employment Opportunity; Ambassador John E. Reinhardt, Director, U.S. Information Agency; and Mr. John M. Gilligan, Administrator, Agency for International Development.

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**199. Letter From David C. Kane, EEO Complaints Examiner, Civil Service Commission to the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs)<sup>1</sup>**

Washington, January 18, 1978

Dear Mr. Burroughs:

This constitutes my recommendations under the provisions of section 713.604 of the Civil Service regulations for the acceptance and/or rejection of the class complaint filed on October 4, 1977, at the

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 8, Chron February 1978. No classification marking. Sent by registered mail with return receipt requested. Received in M/EEO on January 25. A copy was sent to Needham. An unknown hand wrote at the top of the letter, "Decision no: DC713A80013."

Department of State by Ms. JulieAnn McGrath. The basis of the complaint is that the Department of State has implemented policies and engaged in practices which have deprived the class of equal employment opportunity because of sex with respect to recruitment, examination, appointment, reappointment, training, assignment, evaluation, promotion, and affirmative action.

The Civil Service class complaint regulations set forth a number of conditions which must be met before a class complaint can be accepted. First, the agent for the proposed class has to contact an EEO Counselor within 90 days of the matter giving rise to the agent's allegation of individual discrimination. The agent must advise the counselor that he<sup>2</sup> intends to file a class complaint and must submit the individual and the class aspects of the complaint to counseling. If the counseling is unsuccessful, the agent has 15 days from his<sup>3</sup> receipt of the notice of final interview in which to file a signed and written formal complaint. The formal complaint must set forth specifically and in detail: 1). A description of the agency personnel management policy or practice giving rise to the complaint; and 2). A description of the resulting matter which adversely affected the agent. The agent may not challenge any policy or practice which did not adversely affect her personally. The allegations raised in the complaint must be within the purview of part 713, subpart F of the regulations,<sup>4</sup> and cannot consist of allegations that were contained in a previous complaint filed in behalf of the same class which is pending in the agency or which has been resolved or decided by the agency. Finally, the class must be so numerous that a consolidated complaint of the class members would be impractical, the complaint must raise common questions of fact, the claims of the agent must be typical of the claims of the class, and the agent or his<sup>5</sup> representative must fairly and adequately protect the interests of the class.

In this case Ms. McGrath contacted an EEO Counselor on August 23, 1977. She advised the Counselor that she wanted to initiate a class complaint and submitted her allegations of sex discrimination to counseling. The counseling was unsuccessful. Ms. McGrath was given her Notice of Final Interview on September 22, 1977, and she filed a formal complaint on October 4, 1977. In view of the above, the Examiner finds that the allegations in this complaint were submitted to counseling and that the formal complaint was filed within 15 days of the Notice of Final Interview. The remaining relevant requirements for a class complaint,

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<sup>2</sup> An unknown hand circled "he." It should read "she."

<sup>3</sup> An unknown hand circled "his." It should read "her."

<sup>4</sup> Class Complaints of Discrimination.

<sup>5</sup> An unknown hand circled "his." It should read "her."

together with the Examiner's recommendations are discussed below under the separate allegations.

*Training, Promotions, Evaluations, and Position Assignments*

Ms. McGrath challenges the Department's policies and practices in connection with position assignments, training, promotions and evaluations in behalf of herself and the class. These practices and policies, however, are being tested by the same class in the complaint filed by Ms. Allison Palmer<sup>6</sup> which is currently pending in the Department. Because these practices and policies are being challenged in a previously accepted complaint, the Examiner recommends that they be rejected from this complaint (5 CFR section 713.604(b)(2)).

*Recruitment, Examination, and Appointment*

Next, Ms. McGrath alleges that she has been subjected to discrimination by the Department's recruitment, examination, and appointment policies and practices, and asserts these claims in behalf of herself and the class. Ms. McGrath was appointed to an FSO position in January of 1964. Because any adverse effect upon Ms. McGrath which resulted from the Department's examination and recruitment practices must have occurred prior to the appointment, and because the appointment was made more than 90 days before the counselor contact, the Examiner finds that the individual claims on which Ms. McGrath seeks to base the class complaint are untimely and, therefore, that the class complaint is also untimely (5 CFR section 713.604(b)(4)). In addition the record does not disclose, especially since Ms. McGrath was appointed to an FSO position, what specific adverse effect, if any, the alleged discriminatory practices had on her (5 CFR section 713.603(b)). Accordingly, the Examiner recommends that these allegations be rejected from the class complaint.

*Functional Assignments*

Ms. McGrath alleges that she has been discriminated against in her functional assignments "in that she has been relegated to the budget and finance specialty which is domestic oriented". She seeks to challenge the Department's functional assignment practices in behalf of herself and the class. Ms. McGrath is currently employed in the Foreign Service Reserve (FSR). FSR employees are assigned primarily to positions whose functions are of a highly specialized nature and to those positions whose functions are predominantly or exclusively oriented in the United States. Ms. McGrath's complaint is that she is assigned to one of the FSR functions which is domestically oriented. In contrast to domestically oriented

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<sup>6</sup> See Document 195.

FSR positions, FSO positions are located both in the United States and abroad, and over the course of a career, an FSO will normally alternate between foreign and domestic posts. Nothing in the record indicates that FSOs are assigned to domestically oriented functions as FSR employees are. Because Ms. McGrath is not an FSO and because FSO and FSR positions do not bear similar relationships to assignments to domestically oriented functions, the Examiner finds that Ms. McGrath's claim that she was subjected to discrimination in her assignment to a domestically oriented function would not be typical of the claims of the class of female FSO's. The Examiner recommends that this allegation be rejected from the class complaint.

#### *Affirmative Action*

Ms. McGrath claims that her career as an FSO was adversely affected by the Department's failure to overcome and eliminate the pattern and practice of sex discrimination against female FSOs through an adequate and effective Affirmative Action Plan and by its failure to implement EEO principles in all aspects of its personnel procedures. The record shows that Ms. McGrath was employed as an FSO between 1964 and 1973. Inasmuch as she has not served as an FSO since 1973, her individual claim of discrimination in this matter is untimely. Because Ms. McGrath cannot assert a timely individual claim, the class complaint is also untimely. The Examiner recommends that this allegation be rejected from the class complaint (5 CFR section 713.604(b)(4)).

#### *Reappointment*

Ms. McGrath resigned as an FSO in November of 1973. In March of 1975 she applied for a reappointment as an FSO. On August 5, 1977, after lengthy consideration and her appointment to an FSR position, the Department denied her application for reappointment. Ms. McGrath alleges that she was discriminated against by the Department's reappointment policies and practices and seeks to challenge them in behalf of herself and the class of present and future female FSOs and present and future female applicants for FSO positions.

There are two initial questions that must be resolved concerning the proposed class. The first question is whether the proposed class is too broad. The Civil Service regulations provide that:

A "class" is a group of agency employees, former agency employees and/or applicants for employment with the agency, on whose behalf it is alleged that they have been, are being, or may be adversely affected by an agency personnel policy or practice . . . (5 CFR section 713.601(a)).

The regulations do not provide for the inclusion of future employees or future applicants in a class. As a result, the Examiner finds that future employees and future applicants may not be included in the current class.

The second question is whether Ms. McGrath, who was only an applicant for reappointment to an FSO position, has standing to bring a complaint in behalf of a class which includes female FSOs. Section 713.601(a) of the regulations confers standing upon an agent, who was personally adversely affected by an agency policy or practice, to bring a complaint in behalf of current employees who may be adversely affected by the challenged policy or practice. Since it is likely that the Department's alleged discriminatory reappointment policies and practices would have a negative impact on a female FSO's decision to resign and, if she did resign, would have a negative impact on her opportunity for reappointment, the Examiner finds that female FSOs are among the group of employees who may be adversely affected by the challenged policy. Accordingly, the Examiner finds that Ms. McGrath has standing to represent currently employed female FSOs in this particular claim. The class, then, should consist of current female FSOs and current applicants for reappointment to FSO positions.

The Examiner has reviewed the record for compliance with the remaining requirements for a class complaint. It shows that Ms. McGrath consulted an EEO Counselor in a timely fashion and that this allegation has not been raised in a previous complaint in behalf of the same class. It also shows that the class contains more than 300 persons, that the allegation raises a common question of sex discrimination and that the agent's claim of sex discrimination is typical of the claims of the class. The class representative is adequate and there is no evidence to indicate that the interests of the agent are in conflict with the interests of the class. In view of the above, the Examiner finds that this allegation meets the regulatory requirements for a class complaint, and recommends that the allegation be accepted as a class complaint and that Ms. McGrath be accepted as the agent for the class of current female FSOs and current female applicants for reappointment to FSO positions.

In summary, the Examiner recommends that the Department reject all allegations from this complaint except for the allegation challenging the Department's reappointment policies and practices.

Sincerely yours,

**David C. Kane**  
*EEO Complaints Examiner*

**200. Letter From Helen Cohn Needham to the Deputy Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, January 26, 1978

Dear Mr. Read:

It has come to our attention that members of the State Department's personnel staff have been telling women Foreign Service officers that the sex discrimination class actions brought on behalf of women Foreign Service officers<sup>2</sup> are frivolous and without basis and that class members will be ultimately liable for the Department's attorney fees. In our view these comments constitute harassment and intimidation of the class members and we must insist that official action be taken to prevent further improper comments. We request that you inform in writing all members of your staff, that any remarks to women Foreign Service officers which could be interpreted as intimidation, harassment, or otherwise suggesting that they disassociate themselves from the class-action litigation must be halted immediately.

Sincerely,

**Bruce J. Terris**

**Helen Cohn Needham<sup>3</sup>**

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 8, Chron February 1978. No classification marking. Copies were sent to Palmer and King.

<sup>2</sup> See Documents 195 and 199.

<sup>3</sup> Only Needham signed above these typed signatures.

**201. Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs) to the Deputy Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, January 31, 1978

SUBJECT

Sex Class Action Complaint #2 (Women FSO's)

By letter dated January 18 received January 25,<sup>2</sup> the Civil Service Commission Federal Appeals Authority has submitted recommendations for the acceptance or rejection of the class complaint of discrimination filed on October 4, 1977 by Ms. Julieann McGrath on behalf of all Women Foreign Service Officers. This is the second Class Action Complaint filed on behalf of Women FSO's.

The CSC Examiner has recommended that the Department accept only one of five allegations. (See Tab A)<sup>3</sup>

In accordance with regulations, an Agency must issue a decision within 10 days to accept, reject or modify the CSC Examiner's recommendations. The regulations also require that such letters be signed by the Director of EEO; therefore, I have prepared a letter for your signature at Tab B.<sup>4</sup>

In addition to the above the Department must designate an Agency Representative (someone outside of the EEO Program). A memorandum has been forwarded to Mr. Hansell,<sup>5</sup> L/M requesting that he designate Mr. Coran<sup>6</sup> or some other member of his staff to be the Agent for this complaint.

The next step is to notify all members of the Class within 15 days after acceptance of the complaint, of their option to join or reject membership in the Class. This will be done through media like the Department Notice and telegrams to all Posts after you have signed memorandum at Tab B.

We will keep you informed on major events in this case.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 8, Chron February 1978. No classification marking.

<sup>2</sup> See Document 199.

<sup>3</sup> Printed as Document 199.

<sup>4</sup> Attached but not printed.

<sup>5</sup> No memorandum to Herbert Hansell, Legal Adviser of the Department of State, has been found.

<sup>6</sup> Paul Coran.

**202. Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs) to the Deputy Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, February 1, 1978

SUBJECT

Middle-Level Hiring Program: Status Report as of January 31, 1978

The Middle-Level Hiring Program for minorities and women was established in May 1975 (announcement used for recruitment is at Tab A<sup>2</sup>—updated periodically to reflect pay scale increases, etc.). The hiring goal established was ten (10) minorities and ten (10) women per year, or a total of 100 for the projected five-year duration of the program.

We are now three months short of completing three years of operation. As of January 31, 1978, 24 persons have been hired against a three-year goal of 60. One additional hire is established for March, making a total of 25 hires—8 minorities and 17 women (listing at Tab B). That makes a shortfall of 35, as of now, in the first three years of the program.

Twenty-one (21) persons who passed the BEX oral are in MED and SY clearance. Another seventeen (17) are in line to take the BEX oral (drop out is approximately 50%), after which successful candidates go into MED and SY. That means, roughly speaking, another 30 persons could be hired rather easily this year. However, that still would not make-up current shortfall (35) on the program and thereby not be responsive to the Secretary's Task Force on affirmative action.

Another forty (40) candidates are in the pipe-line ready for evaluation by PER's Application Review Committee. Drop out at that stage is a little over one-half reducing potential to 20, with another 50% drop out in the next (oral) stage reducing potential to 10 as of this point in time. Detailed statistics are at Tab C.

Given the above potential of approximately 40 hires this year, it is clear that at the current pace we will not overcome the Middle-Level hiring shortfall very soon. Also, we may face the problem of diminishing applications. I propose that (1) attention to applications on hand be accelerated and (2) new recruitment efforts be launched. By copy of this memo I am asking Ambassador Barnes' assistance on both points.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 8, Chron February 1978. No classification marking. A copy was sent to Barnes.

<sup>2</sup> Attached but not printed.



## Tab B

Table Prepared in the Office of Equal Employment Opportunity<sup>3</sup>

Washington, January 31, 1978

MIDDLE-LEVEL HIRING PROGRAM

(as of 1/31/78)

<u>Name</u>	<u>EOD</u>	<u>Grade</u>	<u>Cone</u>
<i>On Board (By Date)</i>			
1. Lewis, Jesse	7/7/75	R-4	Political
2. Thomas, Walter J.	1/1/76	R-5	Admin
3. Colloton, Carol A.	6/14/76	R-5	Political
4. English, Franklin	6/14/76	R-4	Admin
5. O'Keefe, Ellen M.	9/7/76	R-5	Consular
6. Robinson, Raymond	9/19/76	R-3	Admin
7. Crist, Janet L.	12/6/76	R-5	Political
8. Guerra-Mondragon, Gabriel	1/10/77	R-4	Political
9. Schoonover, Brenda B.	2/28/77	R-4	Admin
10. Edminster, Diane L.	3/28/77	R-5	Econ/Com
11. Robinson, Stanley H.	5/1/77	R-4	Admin
12. Mowle, Susan M.	6/20/77	R-5	Political
13. Frank, Elke	6/28/77	R-4	Political
14. Silver, Carolleen	7/18/77	R-5	Consular
15. Bohlen, Avis R.	8/14/77	R-4	Political
16. Li, Frances	8/15/77	R-5	Political
17. Soso, G. Jean	8/22/77	R-4	Political
18. Taubenfeld, Rita F.	8/22/77	R-3	Econ/Com
19. Vancon, Nancy S.	10/1/77	R-4	Political
20. Barbier, Marietta	10/25/77	R-5	Consular
21. Bradford, Jean D.	11/21/77	R-5	Consular
22. Harvey, Barbara S.	1/3/78	R-4	Political
23. Sams, Duane E.	1/15/78	R-5	Econ/Com
24. Fernandez, John D.	1/30/78	R-5	Econ/Com
<i>Scheduled for EOD</i>			
25. Jones-Booker, Roberta	3/26/78	R-4	Consular

<sup>3</sup> No classification marking. Source: REE/EMP.

<u>Analysis</u>					
	<u>Political</u>	<u>Consular</u>	<u>Admin</u>	<u>Economic/ Commercial</u>	<u>Total</u>
R-5	4	5	1	3	13
R-4	7	—	3	—	10
R-3	<u>—</u>	<u>—</u>	<u>1</u>	<u>1</u>	<u>2</u>
TOTALS	11	5	5	4	25

	<u>MINORITIES</u>	<u>WOMEN</u>	<u>TOTAL</u>
R-5	3	9	12
R-4	4	7	11
R-3	<u>1</u>	<u>1</u>	<u>2</u>
	8	17	25

		<u>MINORITIES</u>	<u>WOMEN</u>	<u>TOTAL</u>
Political	R-5	—	4	4
	R-4	2	5	7
	R-3	<u>—</u>	<u>—</u>	<u>—</u>
		2	9	11
Consular	R-5	—	4	4
	R-4	—	1	1
	R-3	<u>—</u>	<u>—</u>	<u>—</u>
		—	5	5
Admin	R-5	1	—	1
	R-4	2	1	3
	R-3	<u>1</u>	<u>—</u>	<u>1</u>
		4	1	5
Econ	R-5	2	1	3
	R-4	—	—	—
	R-3	<u>—</u>	<u>1</u>	<u>1</u>
		2	2	4
TOTAL		8	17	25

## Tab C

Table Prepared in the Office of Equal Employment Opportunity<sup>4</sup>

Washington, January 31, 1978

MIDDLE-LEVEL HIRING PROGRAM					
(Inaugurated May 1975)					
STATUS REPORT AS OF 1/31/78					
	NUMBER OF APPLICATIONS				
	Minorities		Women		Total
M/EEO					
Received	481	(41%)	693	(59%)	1,174 <sup>5</sup>
— Rejected	168	(32%)	365	(68%)	533
	(35%)		(53%)		(45%)
— Approved (More Data Requested from Applicant)	313	(49%)	328	(51%)	641 <sup>6</sup>
	(65%)		(47%)		(55%)
= Pending Review	—		—		—
APPLICATION REVIEW COMMITTEE (ARC)					
Forwarded to ARC from M/EEO	181	(48%)	198	(52%)	379
— Rejected	104	(50%)	106	(50%)	210
	(57%)		(54%)		(55%)
— Approved (Sent to BEX)	74	(48%)	79	(52%)	153
	(41%)		(40%)		(40%)
= Pending ARC Review	3		13		16
BOARD OF EXAMINERS (BEX)					
Forwarded to BEX from ARC	74	(48%)	79	(52%)	153
— Rejected on Oral	37	(50%)	37	(50%)	74
	(50%)		(47%)		(48%)
— Approved on Oral	24	(44%)	30	(56%)	54
	(32%)		(38%)		(35%)
— Applicant Withdrew (Prior to Oral Interview)	4		4		8
= Pending BEX Oral Interview	9		8		17

<sup>4</sup> No classification marking. Source: M/EEO.<sup>5</sup> Reduction of approximately 200 since last report (10/31/77) due to elimination of non-middle-level applications included erroneously in previous counts. [Footnote is in the original.]<sup>6</sup> Many applicants (roughly one-third) do not respond to request for samples of writing, thereby constituting a termination of candidacy. As of this date, approximately 20 files ready to go to ARC. [Footnote is in the original.]

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MIDDLE-LEVEL HIRING PROGRAM

(Inaugurated May 1975)

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STATUS REPORT AS OF 1/31/78

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	<u>NUMBER OF APPLICATIONS</u>		
	<u>Minorities</u>	<u>Women</u>	<u>Total</u>
<u>SUMMARY</u>			
Approved (BEX oral)	24	30	54
— Rejected for Medical Reasons	2	1	3
— Applicant Withdrew (After Passing Oral Interview)	3	2	5
— <i>Appointed Thru 1/31/78</i> (Against a goal of 60 as of 5/78)	8	16	24
— Future Appointments Established	—	1	1
= Pending Appointment (SY, MED clearance, etc.)	11	10	21

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**203. Letter From the Deputy Under Secretary of State for  
Management (Read) to Helen Cohn Needham<sup>1</sup>**

Washington, February 9, 1978

Dear Mrs. Needham:

The Office of the Legal Adviser has been unable to ascertain that any member of the Personnel Bureau has been making improper comments about the class action litigation as described in your letter of January 26.<sup>2</sup> Nevertheless, I have instructed the Director General of the Foreign Service and Director of Personnel Barnes to issue a written directive to members of the Department's personnel staff forbidding

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 8, Chron February 1978. No classification marking.

<sup>2</sup> See Document 200.

them from making any statement or taking any action which might be considered prejudicial to members of the class action.

Sincerely,

Ben H. Read

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**204. Letter From the Deputy Under Secretary of State for Management (Read) to the Speaker of the House of Representatives (O'Neill)<sup>1</sup>**

Washington, February 10, 1978

Dear Mr. Speaker:

Secretary Vance has asked me to submit the following report on actions taken by the Department of State to facilitate the employment of Foreign Service spouses, pursuant to section 413 of the Foreign Relations Authorization Act for FY 1978.<sup>2</sup>

We have allocated three positions to a Family Liaison Office (M/FLO) which we expect to open in March 1978. Mrs. Janet W. Lloyd, wife of a Foreign Service Officer, has been selected as the Director of the new office, reporting directly to me. This office will investigate providing career counseling for Foreign Service spouses. It will also be responsible for representing the interests and concerns of all Foreign Service family members to me and to other senior officials in the foreign affairs agencies.

We are in the process of contracting with Ms. Cynthia Chard to establish an automated skills bank in the Family Liaison Office. The automated system will provide a centralized system for cataloging the skills and various governmental and non-governmental overseas employment opportunities available to Foreign Service spouses. A computer terminal will be installed in the Family Liaison Office to assure up-to-date information and FLO personnel will be responsible for

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 8, Chron February 1978. No classification marking. Drafted on January 24 by Phyllis A. Buscko (M/MO); cleared by Joan M. Clark (M/MO), Barnes, Horace Shamwell (L), and Millie Groobey (H) by phone.

<sup>2</sup> P.L. 95–105. For more information on the role of Foreign Service wives, see Documents 338 and 341 in *Foreign Relations*, 1969–1976, vol. II, Organization and Management of U.S. Foreign Policy, 1969–1972.

seeing that spouses are made aware of the information contained in the computerized system.

In addition, Ms. Chard's contract will encompass research work with our posts abroad to determine the real employment situation in each country. After she has completed the overseas job information survey and the automation of the Skills Bank, I have asked Ms. Chard to research the feasibility of getting an International skills bank started with other government agencies and private corporations and foundations. She will travel to New York to visit the various foundations and multinational corporations to determine if there would be serious interest in setting up such a bank. At the same time, she will make each group well aware of the installation of the computerized job skills system in the Department and request their cooperation in informing the Department of all available jobs in and out of the country.

Revised regulations on the acceptance of employment by members of a U.S. citizen employee's family are currently being considered. The revision will provide that family members may accept gainful employment in a foreign country if such employment does not violate any law of such country or of the United States. The revision will further state that if the Chief of the United States Diplomatic Mission in such country determines that the employment would damage the interests of the United States, the Chief of the Mission must so certify in writing to the family member. The new regulations will be sent in the near future to the Civil Service Commission for clearance prior to being published in the Federal Register.

We are at present working on a bill that could facilitate establishment of reciprocal agreements regarding work permits for family members. Once the legislation on the Vienna Convention passes the Senate, the Department will pursue this question further.

In the meantime, I understand that the Department is already working with the Immigration and Naturalization Service on new regulations on employment of dependents of a number of G-4 visa holders (e.g., dependents of World Bank employees). If these regulations, which have already been forwarded to the House Judiciary Committee for its review, are found workable, the Department will pursue similar regulations providing the basis for reciprocal agreements on the employment of A-1 and A-2 visa holders (e.g., dependents of foreign diplomats and staff accredited to the United States) will follow.

The Department of State continues to employ qualified family members of United States Government employees (including family members of Foreign Service personnel) in temporary positions at our posts abroad. Over the past few years, however, we have had to assure that posts did not violate the intent of the temporary hires by employing on a full-time basis resident Americans in permanent part-time posi-

tions. We are in the process of re-issuing regulations on the part-time, intermittent, and temporary positions to define more closely the ground rules for hiring in such positions, including the hiring of dependents. These new regulations should be ready for issuance by the end of February.

In addition, it has become clear that the Department needs to examine closely how it can better meet its temporary human resource needs overseas. Accordingly, I have requested that the Director of Management Operations (M/MO) review all the Department's temporary resource allocations. I expect this review to begin in March after the M/MO has completed its comprehensive review of our permanent resource allocations. The Department will consult with USIA, AID, and other related Foreign Affairs agencies at that time.

Sincerely,

**Ben H. Read**

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**205. Letter From Representative Charles B. Rangel to  
President Carter<sup>1</sup>**

Washington, February 21, 1978

Dear Mr. President:

I have recently returned from a Congressional delegation trip covering ten countries in twenty-two days. I am certain that your Staff Assistant, James Free, who accompanied us on the trip, has informed you of the tremendous success we had, not only in impressing heads of state and foreign ministers of the United States' deep concern for peace and stability in the Pacific area, but, equally important, by our concern for cooperation to stop the flow of narcotic drugs in our international society. Deputy Assistant Secretary of State Adolph Dubs, who also was on this trip, is in a better position to give a more detailed report on our accomplishments.

My main purpose in writing you is to express my concern over the fact that during my entire trip we encountered no minority Foreign

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 8, Chron February 1978. No classification marking. Copies were sent to Vance, Representative Lester Wolff (D-NY), Adolph Dubs, James Free, and Ed Palmer. An unknown hand wrote at the top of the letter, "still pending as of 6/[illegible]/78 according to [illegible]?"

Service personnel in our American embassies in the countries we visited, the sole exception being the newly appointed Director of the United States Information Service in the Philippines, Dr. Horace Dawson. As a Black American and member of Congress this failure to see minorities represented in our Foreign Service disturbed and ultimately embarrassed me for I recognize that our failure to provide minority input into the development of our foreign policy in an area of the world whose people are colored, is ultimately an inhibition to the development of effective foreign policy.

The Congressional Black Caucus, along with leaders of national black associations has had many discussions with former Secretary of State Henry Kissinger about the need to bring in qualified people to alleviate the glaring absence of minorities in policy-making positions within the State Department.

Your administration is to be applauded for the strong actions you have taken to correct this gross injustice that has been with us over the years. Nevertheless, every member of our delegation felt some sense of uneasiness as we discussed the sensitive issues involving development in Third World nations with Asians and Indians and other people of color, yet not one Black, Hispanic or American of color was ever included in the presentations made to our delegation.

I did not publicly raise this question at each Mission because I really hoped that our next stop would prove my assumption to be without substance. But, Mr. President, after Tokyo, Japan; Port Moresby, New Guinea; Canberra, Australia; Singapore; Kuala Lumpur, Malaysia; Bangkok, Thailand; New Delhi, India; Tehran, Iran; and London, England, I was forced to recognize that despite the years of effort to include a significant number of minorities in our Foreign Service we have made little or no progress. This is a matter I bring to your attention because I know you are concerned with our developing a more effective foreign policy towards the countries of Africa, the Caribbean and Latin America as well as Asia and you will appreciate my fear that this effort may be inhibited by the failure to exhibit the multi-racial nature of our friends in our Foreign Service. I know that Secretary Vance is making a great effort to implement an effective affirmative action program in the Department of State but wanted to impress upon you the need for urgency to correct this glaring racial imbalance.

Even though this is only one aspect of this very worthwhile trip, I just cannot believe that those briefings and presentations you would be receiving in connection with our Congressional investigation would be complete without my bringing this sad fact to your attention.



I will look forward to receiving your reaction to my concerns and a description of what is being done to increase the number of Blacks, Hispanics and other minorities in our Foreign Service.

Very truly yours,

**Charles B. Rangel**<sup>2</sup>  
*Member of Congress*

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<sup>2</sup> Rangel signed “Charlie” above this typed signature.

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**206. Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs) to the Deputy Under Secretary of State for Management (Read)**<sup>1</sup>

Washington, February 24, 1978

SUBJECT

Annual Statistics: Status of Women Employees

We have completed our annual ritual of data-gathering on women in the Department of State workforce (a report on minorities will follow shortly). It is, of course, possible to interpret statistics in several ways and our interpretation is naturally dominated by the EEO point of view. Attachments and highlights are as follows:

*Tab A—One-Year Comparison of All Pay Plans By Grades Therein*

In a year that probably devoted more attention to affirmative action than any other year, I regret that statistics show little progress. The representation of women in the total workforce went up only one-tenth of one percent (from 37.6% on December 31, 1976 to 37.7% on December 31, 1977). That’s not too bad when compared to the national female workforce (40%), but representation of women within our pay plans varies tremendously from a low of 9.6% among FSO’s to a high of 68.8% among GS/GG.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 8, Chron February 1978. No classification marking. Copies were sent to Barnes and Clark.

Changes among the FS pay plans over the past year are these: women FSO's increased by 0.3%, women FSR's decreased by 0.4%, women FSRU's decreased by 0.1%, women FSS/FSSO's decreased by 0.2%, and overall FS representation of women decreased by 0.8%. Notice also that at the FS senior levels women lost ground (down 0.9% from 3.9% to 3.0% in the past year).

On the Civil Service side of the house, we should be concerned by the fact that women now constitute almost 69% of the GS/GG pay plans (up 1.1% in one year). Such increases are of dubious merit in that GS/GG is generally perceived as second-class citizenship at State and most of the functions are of a support nature. Notice that at the GS/GG senior level women also lost ground (down 2.9% from 17.2% to 14.3%).

Tab B—*Two-Year Study of Workforce Growth By Pay Plan and Sex*

For a different short-term perspective, this study shows that in the past two years the overall number of women has grown at about the same pace as the growth in the total workforce—4.0% for women and 4.1% for total. The number of men also increased by 4.1%. That, then, explains why the overall increase in representation of women is not significant.

In a relatively stable pay plan such as FSO, women have increased from 312 at the end of 1975 to 337 at the end of 1977—a growth of 8.0% while total FSO's grew 1.5% and men grew 0.9%. That bespeaks some progress for women.

The FSR pay plan, as a catch-all category, is difficult to analyze. The decrease in total (−0.9%) and women (−10.0%) over two years may reflect the recent freeze on FAS laterals “in” from other pay plans and a movement “out” of 1971–74 FAS persons into FSRU; the increase in men (+1.2%) may reflect the above plus significant 1977 hiring (overshadowing the hire of 16 women under the Middle Level Program in 1975–76). The FSRU increases show a dramatic growth for women (+342.9%), yet women remain only one-sixth of that pay plan.

In this two-year comparison it is obvious that the FS Staff Corps is shrinking. The number of women is shrinking (−7.6%) slightly ahead of the total (−7.5%) and men (−7.4%). That could be viewed as good news since women are overrepresented in the FSS/FSSO pay plan which, like GS/GG, is perceived as second-class citizenship devoted primarily to support functions.

On the Civil Service side, once again the need for concern is evident. In two years, the number of women has risen by 9.5% while the total GS/GG workforce increased by 6.2% (men declined 0.3%).

*Tab C—Ten-Year Comparison of All Pay Plans By Grades Therein*

Returning to a study of representation, this time a long-term comparison, in the past decade women in the total workforce went up only 1.2% (from 36.5% on December 31, 1967 to 37.7% on December 31, 1977).

As an example of how numbers can play games, each of the individual FS pay plans shows increased representation of women over the past ten years but, when added up into one FS pot, women lost ground by 4.1% (down from 29.1% to 25.0%).

Women FSO's gained by 4.0% (up from 5.6% in 1967 to 9.6% in 1977). The positive results of intensified recruitment for the FSO exam probably account for the significant increases at the junior levels, but at the senior levels women gained nothing in this ten-year period. The implications of that situation are very serious in that, for example, it is not likely that career women will become more visible in Ambassadorial and other top-level positions.

Once again we are only speculating about the FSR pay plan. Obviously the FAS program must have been the major contributor to the overall increases in this ten-year period. Since we cannot tell how many FSR's are career candidates and how many are strictly limited appointments, it is difficult to evaluate trends and impact on our EEO profile. Also, no meaningful comparison is possible for FSRU because we do not as yet have a ten-year experience. The heavy concentration of men in FSRU may reflect the fact that, under the FAS program, many conversions from FSS to FSR to FSRU were communicators, a male-dominated field.

More than half of the Foreign Service Staff Corps disappeared in the past decade, but the representation of women today is 56.0% vs. 48.5% ten years ago. The concern for overrepresentation expressed above applies here as well.

Overrepresentation of women in the GS/GG pay plans is again very clear in this ten-year study (up 6.3% from 62.5% to 68.8%). Additionally, the status of GS/GG women has deteriorated in the 1967–77 decade. Ten years ago 45% (883) of the GS/GG women (1,959) were at the GS–6 and below level; now 50% (1,269 of 2,551) are at those levels. These statistics become particularly worrisome by the fact that most low level GS/GG women are also minorities. Needless to say, it would be extremely difficult to justify a “business necessity” for this kind of track record in a litigation case. We desperately need an upward mobility program for the Civil Service.

*Tab D—Ten-Year Study of Workforce Growth By Pay Plan and Sex*

Over the past decade, as you pointed out at the Open Forum discussion,<sup>2</sup> the Department's total workforce has been reduced—by

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<sup>2</sup> Not further identified.

1,352 (−9.6%). Curiously, the GS/GG workforce actually increased by 574 (+18.3%) in that time frame. However, once more it must be noted that the GS/GG pay plans are too heavily female; in this 1967–77 period, the number of men declined by 18 (−1.5%) and the number of women increased by 592 (+30.2%):

On the Foreign Service side, the decade under review here saw a total shrinkage of 1,926 (−17.6%). All FS pay plans except FSS/FSSO, however, showed an increase. Total FSO's increased by 76 (+2.2%) with men dropping by 67 (−2.1%) and women increasing by 143 (+73.7%). Going from 194 to 337 looks dramatic for FSO women but, considering the decade's accelerated FSO exam recruitment, reappointment of women previously forced to resign due to marriage,<sup>3</sup> and lateral programs like the Mustang, Harry Barnes' Open Forum comments are valid—at this pace the tricentennial will be upon us before women FSO's come close to women in the national workforce.

The FSR/FSRU pay plans show a total increase of 1,264 (+73.1%) in 1967–77, with men growing by 946 (+61.2%) and women growing by 318 (+172.8%). Again these two catch-all pay plans defy precise analysis. The increases apparently reflect MRB–8 laterals from FSS and GS, minority FSO/JO hiring (less than 200), and hiring of specialists. We should be aware that during 1978 the FSR/FSRU pay plans may reflect drastic changes with CU (heavily female) going to ICA (USIA).

The total FSS/FSSO pay plan has dropped by 3,266 (−56.4%) in the past decade. Men dropped by 1,869 (−62.7%) and women by 1,397 (−49.7%), leaving women obviously still too heavily represented in a pay plan where most jobs peak out FSSO–3 (= FSO–5) and are otherwise dead-end.

Tab E—*Twenty-Year Study of Workforce Strength (Comparison of Women By FSO and By Major Pay Plans)*

The 20-year picture is both mind-boggling and fascinating. Note, for example, the high of 334 women FSO's in 1960 (9.0%) which probably reflects the Wriston lateral<sup>4</sup> and other special programs of the 1950's. Without such programs, relying mainly on exam intake, we dip to a low of 149 women FSO's in 1970 (4.8%). Thereafter, apparently due to affirmative action exam techniques and perhaps the Mustang program, the number of women FSO's climbs to 337 (9.6%) at the end of 1977—the only year in twenty to exceed 1960.

<sup>3</sup> Until 1971, any Foreign Service woman who married was forced to resign. In 1971, provisions were made for Foreign Service women who married and resigned to reenter the service. See *Foreign Relations*, 1969–1976, vol. II, Organization and Management of U.S. Foreign Policy, 1969–1972, Document 330.

<sup>4</sup> In May 1954, the Public Committee on Personnel, tasked with informing the Secretary of ways to strengthen the effectiveness of the professional Foreign Service, released its report, known as the Wriston Report after the committee's chairman Henry M. Wriston. The lateral-entry program was instituted as a result of the Wriston Report, with the intent of providing the Foreign Service with greater specialized expertise and providing the Department of State with greater flexibility.

Note, as another example, that the representation of women in the total Foreign Service was better in 1957 (32.8%) than it was twenty years later in 1977 (25.0%). And notice that women in the GS/GG pay plans went from a representation of 61.8% in 1957 to a low of 58.5% in 1963 to a high of 68.8% in 1977.

In terms of total workforce, the representation of women fell from 42.6% in 1957 to 37.3% in 1966 (the year of our largest total workforce in this twenty-year period). Total women dropped to the lowest point (35.8%) in 1969, but since then their representation has been climbing to 37.7% at the end of 1977.

More than any of the other studies offered in this collection, the twenty-year perspective reflects our fluid personnel system which apparently may not always have been sensitive to EEO.

Tab F—a. *Women FSO/Exam Intake*

b. *Women FSO's By Cone*

c. *Women FSO Promotions*

d. *Women FSO's By Grade/Level*

As suggested at the outset of this paper, the FSO and GS/GG pay plans reflect serious aberrations in our employment of women. While the GS/GG plan errs in overrepresentation, the more serious problem is probably with FSO due to underrepresentation.

Four FSO overviews are presented here so that we may have a better understanding. Data on women and the FSO exam (1965–76) reveal a number of ups and downs which may indicate the need for continuing attention to the exam process and intake. (We are waiting for final 1977 statistics from BEX.)

The report on women FSO's by cone as of December 31, 1977 probably contains a number of errors due to the fact that, for example, several women deserving Program Direction skill codes are not so designated by the central data system. Nevertheless, the report is accurate enough to show that women are stereotyped in Consular and Admin (non-policy roles).

The analysis of women FSO promotions was started only two years ago (the 1978 analysis should be ready in a few weeks). In the two years we have (1976 and 1977), one good for women and one not so good, no trends are clear.

The study of women FSO's at grade levels for each of the past ten years may be characterized as revealing significant progress at the junior level, gradual progress at the middle level, and no progress at the senior level.

### *Conclusion*

I believe these statistics will reaffirm the need for vigorous affirmative action initiated in 1977.

## Tab A

Table Prepared in the Office of Equal Employment Opportunity<sup>5</sup>

Washington, February 1978

DEPARTMENT OF STATE  
WOMEN EMPLOYEES—BY GRADES AND PAY PLANS  
ONE-YEAR STUDY

	12/31/76			12/31/77			Percent
	Total	Women	Percent	Total	Women	Percent	Change
COMBINED FOREIGN SERVICE AND CIVIL SERVICE							
<i>SENIOR LEVEL</i>							
CA	1	—	—	—	—	—	—
CM	40	1	2.5	39	—	—	- 2.5
FSO/R/RU-1 & GS/GG-18/17	417	15	3.6	456	12	2.6	- 1.0
-2 -16	<u>567</u>	<u>28</u>	4.9	<u>565</u>	<u>23</u>	4.1	- 0.8
Sub Total Senior Level	1,025	44	4.3	1,060	35	3.3	- 1.0
<i>MIDDLE LEVEL</i>							
FSO/R/RU-3, FSSO-1, & GS/GG-15/14	1,194	113	9.5	1,237	123	9.9	+ 0.4
-4 -2 -13	1,456	175	12.0	1,468	198	13.5	+ 1.5
-5 -3 -12	<u>1,401</u>	<u>322</u>	23.0	<u>1,429</u>	<u>326</u>	22.8	- 0.2
Sub Total Middle Level	4,051	610	15.1	4,134	647	15.7	+ 0.6
<i>JUNIOR LEVEL</i>							
FSO/R/RU-6, FSSO-4 & GS/GG-11/10	1,527	513	33.6	1,635	538	32.9	- 0.7
-7 -5 -9/8	1,899	887	46.7	1,932	885	45.8	- 0.9
-8 -6/7 -7	<u>1,883</u>	<u>1,038</u>	55.1	<u>1,751</u>	<u>985</u>	56.3	+ 1.2
Sub Total Junior Level	5,309	2,438	45.9	5,318	2,408	45.3	- 0.6
<i>SUPPORT LEVEL</i>							
FSS-8 & GS/GG-6	885	669	75.6	969	728	75.1	- 0.5
-9 -5	671	535	79.7	618	479	77.5	- 2.2
-10 -4/3/2/1	526	396	75.3	644	509	79.0	+ 3.7
Sub Total Support Level	<u>2,082</u>	<u>1,600</u>	76.8	<u>2,231</u>	<u>1,716</u>	76.9	+ 0.1
GRAND TOTAL FS & GS	12,467	4,692	37.6	12,743	4,806	37.7	+ 0.1

<sup>5</sup> No classification marking. Source: PER/MGT/OS Quarterly Summary of Employment (excluded are non-career Chiefs of Mission, FS/GS Unclassified, Consular Agents, Resident Staff, Wage Board, WAE, and Contract).

<i>ALL FOREIGN SERVICE (FSO/R/RU AND FSS/FSSO)</i>							
CA	1	—	—	—	—	—	—
CM	40	1	2.5	39	—	—	– 2.5
FSO/R/RU–1	411	14	3.4	450	11	2.4	– 1.0
–2	<u>544</u>	<u>24</u>	4.4	<u>543</u>	<u>20</u>	3.7	– 0.7
Sub Total Senior Level	996	39	3.9	1,032	31	3.0	– 0.9
–3/FSSO –1	980	79	8.1	1,018	89	8.7	+ 0.6
–4 –2	1,313	136	10.4	1,310	144	11.0	+ 0.6
–5 –3	<u>1,244</u>	<u>243</u>	19.5	<u>1,248</u>	<u>236</u>	18.9	– 0.6
Sub Total Middle Level	3,537	458	12.9	3,576	469	13.1	+ 0.2
–6 –4	1,197	328	27.4	1,287	342	26.6	– 0.8
–7 –5	1,227	391	31.9	1,255	384	30.6	– 1.3
–8 –6	791	329	41.6	775	344	44.4	+ 2.8
–7	<u>589</u>	<u>319</u>	54.2	<u>464</u>	<u>238</u>	51.3	– 2.9
Sub Total Junior Level	3,804	1,367	35.9	3,781	1,308	34.6	– 1.3
FSS–8	431	314	72.9	506	353	69.8	– 3.1
–9	130	90	69.2	100	57	57.0	–12.2
–10	<u>41</u>	<u>37</u>	90.2	<u>41</u>	<u>37</u>	90.2	—
Sub Total Support Level	602	441	73.3	647	447	69.1	– 4.2
TOTAL FS	8,939	2,305	25.8	9,036	2,255	25.0	– 0.8

<i>FOREIGN SERVICE OFFICERS (FSO)</i>							
CA	1	—	—	—	—	—	—
CM	40	1	2.5	39	—	—	– 2.5
FSO–1	311	10	3.2	341	8	2.3	– 0.9
–2	<u>305</u>	<u>8</u>	2.6	<u>310</u>	<u>8</u>	2.6	—
Sub Total Senior Level	657	19	2.9	690	16	2.3	– 0.6
–3	615	34	5.5	655	39	6.0	+ 0.5
–4	854	56	6.6	803	51	6.4	– 0.2
–5	<u>627</u>	<u>85</u>	13.6	<u>590</u>	<u>85</u>	14.4	+ 0.8
Sub Total Middle Level	2,096	175	8.3	2,048	175	8.5	+ 0.2
–6	340	56	16.5	397	75	18.9	+ 2.4
–7	283	54	19.1	318	57	17.9	– 1.2
–8	<u>85</u>	<u>18</u>	21.2	<u>61</u>	<u>14</u>	23.0	+ 1.8
Sub Total Junior Level	708	128	18.1	776	146	18.8	+ 0.7
TOTAL FSO	3,461	322	9.3	3,514	337	9.6	+ 0.3

<i>FOREIGN SERVICE RESERVE (FSR)</i>							
FSR–1	60	4	6.7	60	3	5.0	– 1.7
–2	<u>145</u>	<u>11</u>	7.6	<u>126</u>	<u>6</u>	4.8	– 2.8
Sub Total Senior Level	205	15	7.3	186	9	4.8	– 2.5
–3	218	23	10.6	198	19	9.6	– 1.0
–4	274	44	16.1	285	51	17.9	+ 1.8
–5	<u>340</u>	<u>69</u>	20.3	<u>378</u>	<u>64</u>	16.9	– 3.4
Sub Total Middle Level	832	136	16.3	861	134	15.6	– 0.7

-6	495	118	23.8	462	105	22.7	- 1.1
-7	546	101	18.5	534	110	20.6	+ 2.1
-8	<u>208</u>	<u>27</u>	13.0	<u>183</u>	<u>20</u>	10.9	- 2.1
Sub Total Junior Level	1,249	246	19.7	1,179	235	19.9	+ 0.2
TOTAL FSR	2,286	397	17.4	2,226	378	17.0	- 0.4

*FOREIGN SERVICE RESERVE UNLIMITED (FSRU)*

FSRU-1	40	—	—	49	—	—	—
-2	<u>94</u>	<u>5</u>	5.3	<u>107</u>	<u>6</u>	5.6	+ 0.3
Sub Total Senior Level	134	5	3.7	156	6	3.8	+ 0.1
-3	92	13	14.1	108	21	19.4	+ 5.3
-4	85	17	20.0	124	16	12.9	- 7.4
-5	<u>86</u>	<u>29</u>	33.7	<u>109</u>	<u>38</u>	34.9	+ 1.2
Sub Total Middle Level	263	59	22.4	341	75	22.0	- 0.4
-6	85	16	18.8	166	31	18.7	- 0.1
-7	37	5	13.5	95	11	11.6	- 1.9
-8	<u>2</u>	<u>—</u>	—	<u>9</u>	<u>1</u>	11.1	+11.1
Sub Total Junior Level	124	21	16.9	270	43	15.9	- 1.0
TOTAL FSRU	521	85	16.3	767	124	16.2	- 0.1

*FOREIGN SERVICE STAFF (FSSO/FSS)*

FSSO-1	55	9	16.4	57	10	17.5	+ 1.1
-2	100	19	19.0	98	26	26.5	+ 7.5
-3	<u>191</u>	<u>60</u>	31.4	<u>171</u>	<u>49</u>	28.7	- 2.7
Sub Total Middle Level	346	88	25.4	326	85	26.1	- 0.7
-4	277	138	49.8	262	131	50.0	+ 0.2
-5	361	231	64.0	308	206	66.9	+ 2.9
-6	496	284	57.3	522	309	59.2	+ 1.9
-7	<u>589</u>	<u>319</u>	54.2	<u>464</u>	<u>238</u>	51.3	- 2.9
Sub Total Junior Level	1,723	972	56.4	1,556	884	56.8	+ 0.4
-8	431	314	72.9	506	353	69.8	- 3.1
-9	130	90	69.2	100	57	57.0	-12.2
-10	<u>41</u>	<u>37</u>	90.2	<u>41</u>	<u>37</u>	90.2	—
Sub Total Support Level	602	441	73.3	647	447	69.1	- 4.2
TOTAL FSSO/FSS	2,671	1,501	56.2	2,529	1,416	56.0	- 0.2

*ALL CIVIL SERVICE (GS/GG)*

GS/GG-18	3	1	33.3	2	—	—	- 33.3
-17	3	—	—	4	1	25.0	+ 25.0
-16	<u>23</u>	<u>4</u>	17.4	<u>22</u>	<u>3</u>	13.6	- 3.8
Sub Total Senior Level	29	5	17.2	28	4	14.3	- 2.9



-15	118	18	15.3	121	19	15.7	+ 0.4
-14	96	16	16.7	98	15	15.3	- 1.4
-13	143	39	27.3	158	54	34.2	+ 6.9
-12	<u>157</u>	<u>79</u>	50.3	<u>181</u>	<u>90</u>	49.7	- 0.6
Sub Total Middle Level	514	152	29.6	558	178	31.9	+ 2.3
-11	275	145	52.7	281	146	52.0	- 0.7
-10	55	40	72.7	67	50	74.6	+ 1.9
-9	411	284	69.1	407	280	68.8	- 0.3
-8	261	212	81.2	270	221	81.9	+ 0.7
-7	<u>503</u>	<u>390</u>	77.5	<u>512</u>	<u>403</u>	78.7	+ 1.2
Sub Total Junior Level	1,505	1,071	71.2	1,537	1,100	71.6	+ 0.4
-6	454	355	78.2	463	375	81.0	+ 2.8
-5	541	445	82.3	518	422	81.5	- 0.8
-4	272	220	80.9	317	258	81.4	+ 0.5
-3	134	93	69.4	176	134	76.1	+ 6.7
-2	70	39	55.7	94	67	71.3	+15.6
-1	<u>9</u>	<u>7</u>	77.8	<u>16</u>	<u>13</u>	81.3	+ 3.5
Sub Total Support Level	1,480	1,159	78.3	1,584	1,269	80.1	+ 1.8
TOTAL CS	3,528	2,387	67.7	3,707	2,551	68.8	+ 1.1

## CIVIL SERVICE (GS)

GS-18	3	1	33.3	2	—	—	-33.3
-17	3	—	—	3	—	—	—
-16	<u>22</u>	<u>4</u>	18.2	<u>21</u>	<u>3</u>	14.3	- 3.9
Sub Total Senior Level	28	5	17.9	26	3	11.5	- 6.4
-15	109	17	15.6	112	17	15.2	- 0.4
-14	85	15	17.6	89	15	16.9	- 0.7
-13	128	32	25.0	143	48	33.6	+ 8.6
-12	<u>147</u>	<u>74</u>	50.3	<u>170</u>	<u>85</u>	50.0	- 0.3
Sub Total Middle Level	469	138	29.4	514	165	32.1	+ 2.7
-11	262	137	52.3	268	139	51.9	- 0.4
-10	42	34	81.0	54	44	81.5	+ 0.5
-9	387	270	69.8	377	264	70.0	+ 0.2
-8	228	194	85.1	237	201	84.8	- 0.3
-7	<u>463</u>	<u>356</u>	76.9	<u>472</u>	<u>370</u>	78.4	+ 1.5
Sub Total Junior Level	1,382	991	71.7	1,408	1,018	72.3	+ 0.6
-6	365	294	80.5	372	308	82.8	+ 2.3
-5	515	424	82.3	492	403	81.9	- 0.4
-4	270	220	81.5	316	258	81.6	- 0.1
-3	134	93	69.4	175	134	76.6	+ 7.2
-2	68	39	57.4	92	67	72.8	+15.4
-1	<u>9</u>	<u>7</u>	77.8	<u>16</u>	<u>13</u>	81.3	+ 3.5
Sub Total Support Level	1,361	1,077	79.1	1,463	1,183	80.9	+ 1.8
TOTAL GS	3,240	2,211	68.2	3,411	2,369	69.5	+ 1.3

<i>CIVIL SERVICE (GG)</i>							
GG-18	—	—	—	—	—	—	—
-17	—	—	—	1	1	100.0	+100.0
-16	<u>1</u>	<u>—</u>	<u>—</u>	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>
Sub Total Senior Level	1	—	—	2	1	50.0	+ 50.0
-15	9	1	11.1	9	2	22.2	+ 11.1
-14	11	1	9.1	9	—	—	- 9.1
-13	15	7	46.7	15	6	40.0	- 6.7
-12	<u>10</u>	<u>5</u>	<u>50.0</u>	<u>11</u>	<u>5</u>	<u>45.5</u>	<u>- 4.5</u>
Sub Total Middle Level	45	14	31.1	44	13	29.5	- 1.6
-11	13	8	61.5	13	7	53.8	- 7.7
-10	13	6	46.2	13	6	46.2	—
-9	24	14	58.3	30	16	53.3	- 5.0
-8	33	18	54.5	33	20	60.6	+ 6.1
-7	<u>40</u>	<u>34</u>	<u>85.0</u>	<u>40</u>	<u>33</u>	<u>82.5</u>	<u>- 2.5</u>
Sub Total Junior Level	123	80	65.0	129	82	63.6	- 1.4
-6	89	61	68.5	91	67	73.6	+ 5.1
-5	26	21	80.8	26	19	73.1	- 7.7
-4	2	—	—	1	—	—	—
-3	—	—	—	1	—	—	—
-2	2	—	—	2	—	—	—
-1	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Sub Total Support Level	119	82	68.9	121	86	71.1	+ 2.2
TOTAL GG	288	176	61.1	296	182	61.5	+ 0.4

*SUMMARY BY PAY PLAN**FOREIGN SERVICE*

CA	1	—	—	—	—	—	—
CM	40	1	2.5	39	—	—	- 2.5
FSO	3,420	321	9.4	3,475	337	9.7	+ 0.3
FSR	2,286	397	17.4	2,226	378	17.0	- 0.4
FSRU	521	85	16.3	767	124	16.2	- 0.1
FSSO/FSS	<u>2,671</u>	<u>1,501</u>	<u>56.2</u>	<u>2,529</u>	<u>1,416</u>	<u>56.0</u>	<u>- 0.2</u>
TOTAL FOREIGN SERVICE	8,939	2,305	25.8	9,036	2,255	25.0	- 0.8

*CIVIL SERVICE*

GS	3,240	2,211	68.2	3,411	2,369	69.5	+ 1.3
GG	<u>288</u>	<u>176</u>	<u>61.1</u>	<u>296</u>	<u>182</u>	<u>61.5</u>	<u>+ 0.4</u>
TOTAL CIVIL SERVICE	3,528	2,387	67.7	3,707	2,551	68.8	+ 1.1
GRAND TOTAL	12,467	4,692	37.6	12,743	4,806	37.7	+ 0.1

## Tab B

Table Prepared in the Office of Equal Employment Opportunity<sup>6</sup>

Washington, February 1978

DEPARTMENT OF STATE  
WORKFORCE GROWTH—BY SEX  
1975–77

<i>Total Workforce (GS &amp; FS)</i>					
	Total	Men		Women	
12/31/75	12,247	7,625	(62.3%)	4,622	(37.7%)
During 1976	+ 220	+ 150		+ 70	
(Diff)	(+ 1.8%)	(+ 2.0%)		(+ 1.5%)	
12/31/76	12,467	7,775	(62.4%)	4,692	(37.6%)
During 1977	+ 276	+ 162		+ 114	
(Diff)	(+ 2.2%)	(+ 2.1%)		(+ 2.4%)	
12/31/77	12,743	7,937	(62.3%)	4,806	(37.7%)
(Diff 2 Years)	+ 496	+ 312		+ 184	
	(+ 4.1%)	(+ 4.1%)		(+ 4.0%)	
<i>FSO (Incl. CM and CA)</i>					
	Total	Men		Women	
12/31/75	3,461	3,149	(91.0%)	312	(9.0%)
During 1976	—	– 10		+ 10	
(Diff)	—	(– 0.3%)		(+ 3.2%)	
12/31/76	3,461	3,139	(90.7%)	322	(9.3%)
During 1977	+ 53	+ 38		+ 15	
(Diff)	(+ 1.5%)	(+ 1.2%)		(+ 4.7%)	
12/31/77	3,514	3,177	(90.4%)	337	(9.6%)
(Diff 2 Years)	+ 53	+ 28		+ 25	
	(+ 1.5%)	(+ 0.9%)		(+ 8.0%)	
<i>FSR</i>					
	Total	Men		Women	
12/31/75	2,246	1,826	(81.3%)	420	(18.7%)
During 1976	+ 40	+ 63		– 23	
(Diff)	(+ 1.8%)	(+ 3.5%)		(– 5.5%)	
12/31/76	2,286	1,889	(82.6%)	397	(17.4%)
During 1977	– 60	– 41		– 19	
(Diff)	(– 2.6%)	(– 2.2%)		(– 4.8%)	
12/31/77	2,226	1,848	(83.0%)	378	(17.0%)
(Diff 2 Years)	– 20	+ 22		– 42	
	(– 0.9%)	(+ 1.2%)		(– 10.0%)	

<sup>6</sup> No classification marking. Source: PER/MGT/OS Quarterly Summary of Employment (excluded are non-career Chiefs of Mission, FS/GS Unclassified, Consular Agents, Resident Staff, Wage Board, WAE, and Contract).

	<i>FSRU</i>			
	Total	Men		Women
12/31/75	316	288	(91.9%)	28 (8.9%)
During 1976	+ 205	+ 148		+ 57
(Diff)	(+ 64.9%)	(+ 51.4%)		(+203.6%)
12/31/76	521	436	(83.7%)	85 (16.3%)
During 1977	+ 246	+ 207		+ 39
(Diff)	(+ 47.2%)	(+ 47.5%)		(+ 45.9%)
12/31/77	767	643	(83.8%)	124 (16.2%)
(Diff 2 Years)	+ 451	+ 355		+ 96
	(+142.7%)	(+123.3%)		(+342.9%)

	<i>FSR and FSRU</i>			
	Total	Men		Women
12/31/75	2,562	2,114	(82.5%)	448 (17.5%)
During 1976	+ 245	+ 211		+ 34
(Diff)	(+ 9.6%)	(+ 10.0%)		(+ 7.6%)
12/31/76	2,807	2,325	(82.8%)	482 (17.2%)
During 1977	+ 186	+ 166		+ 20
(Diff)	(+ 6.6%)	(+ 7.1%)		(+ 4.1%)
12/31/77	2,993	2,491	(83.2%)	502 (16.8%)
(Diff 2 Years)	+ 431	+ 377		+ 54
	(+ 16.8%)	(+ 17.8%)		(+ 12.1%)

	<i>FSS/FSSO</i>			
	Total	Men		Women
12/31/75	2,735	1,202	(43.9%)	1,533 (56.1%)
During 1976	- 64	- 32		- 32
(Diff)	(- 2.3%)	(- 2.7%)		(- 2.1%)
12/31/76	2,671	1,170	(43.8%)	1,501 (56.2%)
During 1977	- 142	- 57		- 85
(Diff)	(- 5.3%)	(- 4.9%)		(- 5.7%)
12/31/77	2,529	1,113	(44.0%)	1,416 (56.0%)
(Diff 2 Years)	- 206	- 89		- 117
	(- 7.5%)	(- 7.4%)		(- 7.6%)

	<i>All FS</i>			
	Total	Men		Women
12/31/75	8,758	6,465	(73.8%)	2,293 (26.2%)
During 1976	+ 181	+ 169		+ 12
(Diff)	(+ 2.1%)	(+ 2.6%)		(+ 0.5%)
12/31/76	8,939	6,634	(74.2%)	2,305 (25.8%)
During 1977	+ 97	+ 147		- 50
(Diff)	(+ 1.1%)	(+ 2.2%)		(- 2.2%)
12/31/77	9,036	6,781	(75.0%)	2,255 (25.0%)
(Diff 2 Years)	+ 278	+ 316		- 38
	(+ 3.2%)	(+ 4.9%)		(- 1.7%)

	<i>All GS (GS and GG)</i>			
	Total	Men		Women
12/31/75	3,489	1,160	(33.2%)	2,329 (66.8%)
During 1976	+ 39	– 19		+ 58
(Diff)	(+ 1.1%)	(– 1.6%)		(+ 2.5%)
12/31/76	3,528	1,141	(32.3%)	2,387 (67.7%)
During 1977	+ 179	+ 15		+ 164
(Diff)	(+ 5.1%)	(+ 1.3%)		(+ 6.9%)
12/31/77	3,707	1,156	(31.2%)	2,551 (68.8%)
(Diff 2 Years)	+ 218	– 4		+ 222
	(+ 6.2%)	(– 0.3%)		(+ 9.5%)

Tab C

Table Prepared in the Office of Equal Employment Opportunity<sup>7</sup>

Washington, February 1978

DEPARTMENT OF STATE  
WOMEN EMPLOYEES—BY GRADE AND PAY PLAN  
TEN-YEAR STUDY

	12/31/67 <sup>8</sup>			12/31/77			10 Year
	Total	Women	Percent	Total	Women	Percent	Change
COMBINED FOREIGN SERVICE AND CIVIL SERVICE							
SENIOR LEVEL							
CA	7	—	—	—	—	—	—
CM	53	—	—	39	—	—	—
FSO/R/RU–1 & GS/ GG–18/17	456	11	2.4	456	12	2.6	+ 0.2
–2 –16	718	22	3.1	565	23	4.1	+ 1.0
Sub Total Senior Level	1,234	33	2.7	1,060	35	3.3	+ 0.6
MIDDLE LEVEL							
FSO/R/RU–3, FSSO– 1, & GS/GG–15/14	1,381	116	8.4	1,237	123	9.9	+ 1.5
–4 –2 –13	1,451	199	13.7	1,468	198	13.5	– 0.2
–5 –3 –12	1,265	210	16.6	1,429	326	22.8	+ 6.2
Sub Total Middle Level	4,097	525	12.8	4,134	647	15.7	+ 2.9

<sup>7</sup> No classification marking. Source: PER/MGT Quarterly Summary of Employment (excluded are non-career Chiefs of Mission, FS/GS Unclassified, Consular Agents, Resident Staff, Wage Board, WAE, and Contract).

<sup>8</sup> 12/31/68 Data Not Available on Women. [Footnote is in the original.]

*JUNIOR LEVEL*

FSO/R/RU-6, FSSO-4, & GS/GG-11/10	1,241	371	29.9	1,635	538	32.9	+ 3.0
-7 -5 -9/8	1,576	757	48.0	1,932	885	45.8	- 2.2
-8 -6/7 -7	<u>2,641</u>	<u>1,262</u>	47.8	<u>1,751</u>	<u>985</u>	56.3	+ 8.5
Sub Total Junior Level	5,458	2,390	43.8	5,318	2,408	45.3	+ 1.5

*SUPPORT LEVEL*

FSS-8 & GS/GG-6	1,387	835	60.2	969	728	75.1	+14.9
-9 -5	1,174	815	69.4	618	479	77.5	+ 8.1
-10 -4/3/2/1	<u>745</u>	<u>552</u>	74.1	<u>644</u>	<u>509</u>	79.0	+ 4.9
Sub Total Support Level	3,306	2,202	66.6	2,231	1,716	76.9	+10.3

GRAND TOTAL FS & GS	14,095	5,150	36.5	12,743	4,806	37.7	+ 1.2
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*ALL FOREIGN SERVICE (FSO/R/RU AND FSSO/FSS)*

CA	7	—	—	—	—	—	—
CM	53	—	—	39	—	—	—
FSO/R/RU-1	445	9	2.0	450	11	2.4	+ 0.4
-2	<u>696</u>	<u>20</u>	2.9	<u>543</u>	<u>20</u>	3.7	+ 0.8
Sub Total Senior Level	1,201	29	2.4	1,032	31	3.0	+ 0.6
-3/FSSO-1	1,124	71	6.3	1,018	89	8.7	+ 2.4
-4 -2	1,244	137	11.0	1,310	144	11.0	—
-5 -3	<u>1,084</u>	<u>130</u>	12.0	<u>1,248</u>	<u>236</u>	18.9	+ 6.9
Sub Total Middle Level	3,452	338	9.8	3,576	469	13.1	+ 3.3
-6 -4	998	228	22.8	1,287	342	26.6	+ 3.8
-7 -5	998	335	33.6	1,255	384	30.6	- 3.0
-8 -6	1,247	496	39.8	755	344	44.4	+ 4.6
-7	<u>971</u>	<u>446</u>	45.9	<u>464</u>	<u>238</u>	51.3	+ 5.4
Sub Total Junior Level	4,214	1,505	35.7	3,781	1,308	34.6	- 1.1
FSS-8	1,009	527	52.2	506	353	69.8	+ 17.6
-9	775	536	69.2	100	57	57.0	- 12.2
-10	<u>311</u>	<u>256</u>	82.3	<u>41</u>	<u>37</u>	90.2	+ 7.9
Sub Total Support Level	2,095	1,319	63.0	647	447	69.1	+ 6.1
TOTAL FS	10,962	3,191	29.1	9,036	2,255	25.0	- 4.1

*FOREIGN SERVICE OFFICERS (FSO)*

CA	7	—	—	—	—	—	—
CM	53	—	—	39	—	—	—
FSO-1	319	6	1.9	341	8	2.3	+ 0.4
-2	<u>451</u>	<u>13</u>	2.9	<u>310</u>	<u>8</u>	2.6	- 0.3
Sub Total Senior Level	830	19	2.3	690	16	2.3	—
-3	651	32	4.9	655	39	6.0	+ 1.1
-4	643	57	8.9	803	51	6.4	- 2.5
-5	<u>528</u>	<u>26</u>	4.9	<u>590</u>	<u>85</u>	14.4	+ 9.5
Sub Total Middle Level	1,822	115	6.3	2,048	175	8.5	+ 2.2

-6	422	23	5.5	397	75	18.9	+13.4
-7	255	24	9.4	318	57	17.9	+ 8.5
-8	<u>109</u>	<u>13</u>	11.9	<u>61</u>	<u>14</u>	23.0	+11.1
Sub Total Junior Level	786	60	7.6	776	146	18.8	+11.2
TOTAL FSO	3,438	194	5.6	3,514	337	9.6	+ 4.0

*FOREIGN SERVICE RESERVE (FSR)*

FSR-1	126	3	2.4	60	3	5.0	+ 2.6
-2	<u>245</u>	<u>7</u>	2.9	<u>126</u>	<u>6</u>	4.8	+ 1.9
Sub Total Senior Level	371	10	2.7	186	9	4.8	+ 2.1
-3	363	31	8.5	198	19	9.6	+ 1.1
-4	336	45	13.4	285	51	17.9	+ 4.5
-5	<u>240</u>	<u>37</u>	15.4	<u>378</u>	<u>64</u>	16.9	+ 1.5
Sub Total Middle Level	939	113	12.0	861	134	15.6	+ 3.6
-6	158	29	18.4	462	105	22.7	+ 4.3
-7	202	25	12.4	534	110	20.6	+ 8.2
-8	<u>59</u>	<u>7</u>	11.9	<u>183</u>	<u>20</u>	10.9	- 1.0
Sub Total Junior Level	419	61	14.6	1,179	235	19.9	+ 5.3
TOTAL FSR	1,729	184	10.6	2,226	378	17.0	+ 6.4

*FOREIGN SERVICE RESERVE UNLIMITED (FSRU)*

FSRU-1				49	—	—	—
-2				<u>107</u>	<u>6</u>	5.6	+ 5.6
Sub Total Senior Level				156	6	3.8	+ 3.8
-3				108	21	19.4	+19.4
-4				124	16	12.9	+12.9
-5	(Introduced 1971)			<u>109</u>	<u>38</u>	34.9	+34.9
Sub Total Middle Level				341	75	22.0	+22.0
-6				166	31	18.7	+18.7
-7				95	11	11.6	+11.6
-8				<u>9</u>	<u>1</u>	11.1	+11.1
Sub Total Junior Level				270	43	15.9	+15.9
TOTAL FSRU				767	124	16.2	+16.2

*FOREIGN SERVICE STAFF (FSSO/FSS)*

FSSO-1	110	8	7.3	57	10	17.5	+10.2
-2	265	35	13.2	98	26	26.5	+13.3
-3	<u>316</u>	<u>67</u>	21.2	<u>171</u>	<u>49</u>	28.7	+ 7.5
Sub Total Middle Level	691	110	15.9	326	85	26.1	+10.2
-4	418	176	42.1	262	131	50.0	+ 7.9
-5	541	286	52.9	308	206	66.9	+14.0
-6	1,079	476	44.1	522	309	59.2	+15.1
-7	<u>971</u>	<u>446</u>	45.9	<u>464</u>	<u>238</u>	51.3	+ 5.4
Sub Total Junior Level	3,009	1,384	46.0	1,556	884	56.8	+10.8

FSS-8	1,009	527	52.2	506	353	69.8	+17.6
-9	775	536	69.2	100	57	57.0	-12.2
-10	<u>311</u>	<u>256</u>	82.3	<u>41</u>	<u>37</u>	90.2	+ 7.9
Sub Total Support Level	2,095	1,319	63.0	647	447	69.1	+ 6.1
TOTAL FSSO/FSS	5,795	2,813	48.5	2,529	1,416	56.0	+ 7.5

ALL CIVIL SERVICE (GS/GG)

GS/GG-18	3	—	—	2	—	—	—
-17	8	2	25.0	4	1	25.0	—
-16	<u>22</u>	<u>2</u>	9.1	<u>22</u>	<u>3</u>	13.6	+ 4.5
Sub Total Senior Level	33	4	12.1	28	4	14.3	+ 2.2
-15	135	19	14.1	121	19	15.7	+ 1.6
-14	122	26	21.3	98	15	15.3	+ 6.0
-13	207	62	30.0	158	54	34.2	+ 4.2
-12	<u>181</u>	<u>80</u>	44.2	<u>181</u>	<u>90</u>	49.7	+ 5.5
Sub Total Middle Level	645	187	29.0	558	178	31.9	+ 2.9
-11	204	115	56.4	281	146	52.0	- 4.4
-10	39	28	71.8	67	50	74.6	+ 2.8
-9	360	252	70.0	407	280	68.8	- 1.2
-8	218	170	78.0	270	221	81.9	+ 3.9
-7	<u>423</u>	<u>320</u>	75.7	<u>512</u>	<u>403</u>	78.7	+ 3.0
Sub Total Junior Level	1,244	885	71.1	1,537	1,100	71.6	+ 0.5
-6	378	308	81.5	463	375	81.0	- 0.5
-5	399	279	69.9	518	422	81.5	+11.6
-4	208	153	73.6	317	258	81.4	+ 7.8
-3	146	116	79.5	176	134	76.1	- 3.4
-2	74	23	31.1	94	67	71.3	+40.2
-1	<u>6</u>	<u>4</u>	66.7	<u>16</u>	<u>13</u>	81.3	+14.6
Sub Total Support Level	1,211	883	72.9	1,584	1,269	80.1	+ 7.2
TOTAL CS	3,133	1,959	62.5	3,707	2,551	68.8	+ 6.3

CIVIL SERVICE (GS)

GS-18	3	—	—	2	—	—	—
-17	8	2	25.0	3	—	—	-25.0
-16	<u>21</u>	<u>2</u>	9.5	<u>21</u>	<u>3</u>	14.3	+ 4.8
Sub Total Senior Level	32	4	12.5	26	3	11.5	- 1.0
-15	132	19	14.4	112	17	15.2	+ 0.8
-14	119	25	21.0	89	15	16.9	- 4.1
-13	199	58	29.1	143	48	33.6	+ 4.5
-12	<u>168</u>	<u>71</u>	42.3	<u>170</u>	<u>85</u>	50.0	+ 7.7
Sub Total Middle Level	618	173	28.0	514	165	32.1	+ 4.1
-11	188	105	55.9	268	139	51.9	- 4.0
-10	27	22	81.5	54	44	81.5	—
-9	339	242	71.4	377	264	70.0	- 1.4
-8	189	152	80.4	237	201	84.8	+ 4.4
-7	<u>389</u>	<u>297</u>	76.3	<u>472</u>	<u>370</u>	78.4	+ 2.1
Sub Total Junior Level	1,132	818	72.3	1,408	1,018	72.3	—



-6	308	251	81.5	372	308	82.8	+ 1.3
-5	367	255	69.5	492	403	81.9	+12.4
-4	203	150	73.9	316	258	81.6	+ 7.7
-3	143	115	80.4	175	134	76.6	- 3.8
-2	72	23	31.9	92	67	72.8	+40.9
-1	<u>6</u>	<u>4</u>	66.7	<u>16</u>	<u>13</u>	81.3	+14.6
Sub Total Support Level	1,099	798	72.6	1,463	1,183	80.9	+ 8.3
TOTAL GS	2,881	1,793	62.2	3,411	2,369	69.5	+ 7.3

*CIVIL SERVICE (GG)*

GG-18	—	—	—	—	—	—	—
-17	—	—	—	1	1	100.0	+100.0
-16	<u>1</u>	<u>—</u>	—	<u>1</u>	<u>—</u>	—	—
Sub Total Senior Level	1	—	—	2	1	50.0	+ 50.0
-15	3	—	—	9	2	22.2	+ 22.2
-14	3	1	33.3	9	—	—	- 33.3
-13	8	4	50.0	15	6	40.0	- 10.0
-12	<u>13</u>	<u>9</u>	69.2	<u>11</u>	<u>5</u>	45.5	- 23.7
Sub Total Middle Level	27	14	51.9	44	13	29.5	- 22.4
-11	16	10	62.5	13	7	53.8	- 8.7
-10	12	6	50.0	13	6	46.2	- 3.8
-9	21	10	47.6	30	16	53.3	+ 5.7
-8	29	18	62.1	33	20	60.6	- 1.5
-7	<u>34</u>	<u>23</u>	67.6	<u>40</u>	<u>33</u>	82.5	+ 14.9
Sub Total Junior Level	112	67	59.8	129	82	63.6	+ 3.8
-6	70	57	81.4	91	67	73.6	- 7.8
-5	32	24	75.0	26	19	73.1	- 1.9
-4	5	3	60.0	1	—	—	- 60.0
-3	3	1	33.3	1	—	—	- 33.3
-2	2	—	—	2	—	—	—
-1	<u>—</u>	<u>—</u>	—	<u>—</u>	<u>—</u>	—	—
Sub Total Support Level	112	85	75.9	121	86	71.1	- 4.8
TOTAL GG	252	166	65.9	296	182	61.5	- 4.4

*SUMMARY BY PAY PLAN**FOREIGN SERVICE*

CA	7	—	—	—	—	—	—
CM	53	—	—	39	—	—	—
FSO	3,378	194	5.7	3,475	337	9.7	+ 4.0
FSR	1,729	184	10.6	2,226	378	17.0	+ 6.4
FSRU	(Introduced 1971)			767	124	16.2	+16.2
FSSO/FSS	<u>5,795</u>	<u>2,813</u>	48.5	<u>2,529</u>	<u>1,416</u>	56.0	+ 7.5
TOTAL FOREIGN SERVICE	10,962	3,191	29.1	9,036	2,255	25.0	- 4.1

*CIVIL SERVICE*

GS	2,881	1,793	62.2	3,411	2,369	69.5	+ 7.3
GG	<u>252</u>	<u>166</u>	65.9	<u>296</u>	<u>182</u>	61.5	- 4.4
TOTAL CIVIL SERVICE	3,133	1,959	62.5	3,707	2,551	68.8	+ 6.3
GRAND TOTAL	14,095	5,150	36.5	12,743	4,806	37.7	+ 1.2

## Tab D

Table Prepared in the Office of Equal Employment Opportunity<sup>9</sup>

Washington, February 1978

DEPARTMENT OF STATE  
WORKFORCE GROWTH—BY SEX  
1967–77

<i>Total Workforce (GS &amp; FS)</i>					
	<u>Total</u>	<u>Men</u>		<u>Women</u>	
12/31/67 <sup>10</sup>	14,095	8,945	(63.5%)	5,150	(36.5%)
12/31/77	<u>12,743</u>	<u>7,937</u>	(62.3%)	<u>4,806</u>	(37.7%)
Diff 10 Years	– 1,352 (– 9.6%)	– 1,008 (– 11.3%)		– 344 (– 6.7%)	
<i>FSO (Incl. CM and CA)</i>					
	<u>Total</u>	<u>Men</u>		<u>Women</u>	
12/31/67	3,438	3,244	(94.4%)	194	(5.6%)
12/31/77	<u>3,514</u>	<u>3,177</u>	(90.4%)	<u>337</u>	(9.6%)
Diff 10 Years	+ 76 (+ 2.2%)	– 67 (– 2.1%)		+ 143 (+ 73.7%)	
<i>FSR</i>					
	<u>Total</u>	<u>Men</u>		<u>Women</u>	
12/31/67	1,729	1,545	(89.4%)	184	(10.6%)
12/31/77	<u>2,226</u>	<u>1,848</u>	(83.0%)	<u>378</u>	(17.0%)
Diff 10 Years	+ 497 (+ 28.7%)	+ 303 (+ 19.6%)		+ 194 (+ 105.4%)	
<i>FSRU</i>					
	<u>Total</u>	<u>Men</u>		<u>Women</u>	
12/31/67	(Introduced 1971)				
12/31/77	<u>767</u>	<u>643</u>	(83.8%)	<u>124</u>	(16.2%)
Diff 10 Years	+ 767	+ 643		+ 124	
<i>FSR and FSRU</i>					
	<u>Total</u>	<u>Men</u>		<u>Women</u>	
12/31/67	1,729	1,545	(89.4%)	184	(10.6%)
12/31/77	<u>2,993</u>	<u>2,491</u>	(83.2%)	<u>502</u>	(16.8%)
Diff 10 Years	+ 1,264 (+ 73.1%)	+ 946 (+ 61.2%)		+ 318 (+ 172.8%)	

<sup>9</sup> No classification marking. Source: PER/MGT/OS Quarterly Summary of Employment (excluded are non-career Chiefs of Mission, FS/GS Unclassified, Consular Agents, Resident Staff, Wage Board, WAE, and Contract).

<sup>10</sup> 12/31/68 Data Not Available on Women. [Footnote is in the original.]

<i>FSS/FSSO</i>					
	Total	Men		Women	
12/31/67	5,795	2,982	(51.5%)	2,813	(48.5%)
12/31/77	2,529	1,113	(44.0%)	1,416	(56.0%)
Diff 10 Years	– 3,266 (– 56.4%)	– 1,869 (– 62.7%)		– 1,397 (– 49.7%)	
<i>All FS</i>					
	Total	Men		Women	
12/31/67	10,962	7,771	(70.9%)	3,191	(29.1%)
12/31/77	9,036	6,781	(75.0%)	2,255	(25.0%)
Diff 10 Years	– 1,926 (– 17.6%)	– 990 (– 12.7%)		– 936 (– 29.3%)	
<i>All GS (GS and GG)</i>					
	Total	Men		Women	
12/31/67	3,133	1,174	(37.5%)	1,959	(62.5%)
12/31/77	3,707	1,156	(31.2%)	2,551	(68.8%)
Diff 10 Years	+ 574 (+ 18.3%)	– 18 (– 1.5%)		+ 592 (+ 30.2%)	

Tab E

**Table Prepared in the Office of Equal Employment  
Opportunity<sup>11</sup>**

Washington, February 1978

DEPARTMENT OF STATE  
WOMEN FOREIGN SERVICE OFFICERS (FSO)  
*Twenty-Year Study*

December 31	Total No.	WOMEN	
		No.	%
1957	3,436	306	8.9
1958	3,518	296	8.4
1959	3,632	328	9.0
1960	3,717	334	9.0
1961	3,726	327	8.8
1962	3,761	312	8.3
1963	3,708	284	7.7

<sup>11</sup> No classification marking. Source: Summary of Employment prepared by PER/MGT/AS.

1964	3,670	259	7.1
1965 <sup>12</sup>	3,532	221	6.3
1966	3,521	205	5.8
1967	3,438	194	5.6
1968	(Statistics on Women Not Available for 1968)		
1969	3,263	165	5.1
1970	3,103	149	4.8
1971	3,086	154	5.0
1972	3,332	218	6.5
1973	3,302	239	7.2
1974	3,412	285	8.4
1975	3,461	312	9.0
1976	3,461	322	9.3
1977	3,514	337	9.6

Tab F

**Table Prepared in the Office of Equal Employment Opportunity<sup>13</sup>**

Washington, February 1978

*DEPARTMENT OF STATE  
WOMEN EMPLOYEES—TWENTY-YEAR STUDY*

DEC. 31	ALL FS			GS/GG			TOTAL		
	Total	Women		Total	Women		Total	Women	
	No.	No.	%	No.	No.	%	No.	No.	%
1957	7,963	2,609	32.8	4,089	2,525	61.8	12,052	5,134	42.6
1958	7,977	2,509	31.5	4,255	2,632	61.9	12,232	5,141	42.0
1959	8,126	2,508	30.9	4,249	2,585	60.8	12,375	5,093	41.2
1960	8,333	2,523	30.3	4,292	2,595	60.5	12,625	5,118	40.5
1961	8,723	2,603	29.8	4,306	2,595	60.3	13,029	5,198	39.9
1962	8,746	2,503	28.6	4,069	2,386	58.6	12,815	4,889	38.2
1963	9,065	2,537	28.0	4,178	2,443	58.5	13,243	4,980	37.6
1964	9,094	2,499	27.5	4,067	2,392	58.8	13,161	4,891	37.2

<sup>12</sup> December 31, 1965 data not available; January 31, 1966 used instead. [Footnote is in the original.]

<sup>13</sup> No classification marking. Source: PER/MGT/OS Summary of Employment (excluded are non-career Chiefs of Mission). Additional tables for Tab F are attached but not printed: Women—FSO Exam and Intake, Women FSOs by Primary Skill, and FSO Promotions.

1965 <sup>14</sup>	9,729	2,723	28.0	3,885	2,382	61.3	13,614	5,105	37.5
1966	10,836	3,155	29.1	3,327	2,134	64.1	14,163	5,289	37.3
1967	10,962	3,191	29.1	3,133	1,959	62.5	14,095	5,150	36.5
1968	(Statistics on Women Not Available for 1968)								
1969	9,570	2,529	26.4	3,329	2,091	62.8	12,899	4,620	35.8
1970	8,855	2,279	25.7	3,415	2,150	63.0	12,270	4,429	36.1
1971	8,844	2,244	25.4	3,417	2,191	64.1	12,261	4,435	36.2
1972	8,540	2,120	24.8	3,442	2,199	63.9	11,982	4,319	36.0
1973	8,375	2,130	25.4	3,460	2,244	64.9	11,835	4,374	37.0
1974	8,539	2,183	25.6	3,412	2,250	65.9	11,951	4,433	37.1
1975	8,758	2,293	26.2	3,489	2,329	66.8	12,247	4,622	37.7
1976	8,939	2,305	25.8	3,528	2,387	67.7	12,467	4,692	37.6
1977	9,036	2,255	25.0	3,707	2,551	68.8	12,743	4,806	37.7

DEPARTMENT OF STATE  
WOMEN FSO'S BY GRADE/LEVEL: 10-YEAR STUDY  
(PERCENT OF TOTAL EMPLOYMENT)

Grade	12/67 <sup>15</sup>	12/69	12/70	12/71	12/72	12/73	12/74	12/75	12/76	12/77	10-Year Diff.
<i>Senior Level</i>											
CA	—	—	—	—	—	—	—	—	—	—	—
CM	—	3.2	3.6	1.9	2.0	4.7	4.3	4.4	2.5	—	—
FSO-1	1.9	0.7	1.4	1.8	2.1	2.6	2.2	2.9	3.2	2.3	+ 0.4
—2	2.9	2.9	2.5	2.0	1.7	2.5	2.0	2.1	2.6	2.6	— 0.3
Total	2.3	2.1	2.0	1.9	1.9	2.6	2.3	2.6	2.9	2.3	—
<i>Middle Level</i>											
FSO-3	4.9	4.1	4.1	4.5	5.1	5.4	5.3	4.8	5.5	6.0	+ 1.1
—4	8.9	7.7	6.2	5.3	5.3	5.3	5.7	5.9	6.6	6.4	— 2.5
—5	4.9	3.6	3.5	4.9	9.8	10.4	12.9	13.4	13.6	14.4	+ 9.5
Total	6.3	5.2	4.8	4.9	6.7	7.0	8.0	8.0	8.3	8.5	+ 2.2
<i>Junior Level</i>											
FSO-6	5.5	7.7	8.6	10.8	11.1	11.8	12.5	16.7	16.5	18.9	+ 13.4
—7	9.4	8.5	8.7	6.7	10.9	12.9	17.2	18.8	19.1	17.9	+ 8.5
—8	11.9	12.5	12.9	12.9	25.0	32.5	32.4	25.3	21.2	23.0	+ 11.1
Total	7.6	8.2	8.9	9.5	11.8	13.6	16.8	18.7	18.1	18.8	+ 11.2
TOTAL	5.6	5.1	4.8	5.0	6.5	7.2	8.4	9.0	9.3	9.6	+ 4.0

<sup>14</sup> December 31, 1965 data not available; January 31, 1966 used instead. [Footnote is in the original.]

<sup>15</sup> 12/31/68 data not available on women. [Footnote is in the original.]

**207. Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs) to the Deputy Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, March 8, 1978

SUBJECT

Annual Statistics: Status of Minority Employees

In my memo of February 24 on the status of women<sup>2</sup> I promised statistics on minority employees (Black, Hispanic, Native American, and Asian-American). Here they are.

First I would like to emphasize that the counting of minorities is an imperfect science. By Civil Service Commission rules, identification is made by "sight" of employment personnel, supervisors, etc. This method is a reaction to the days when minorities were required to identify themselves on forms etc. and that led to many injustices and abuses in hiring and other matters. The sight system is subject to confusion (e.g., Anna Jankowski is a known Hispanic married to a Polish-American and therefore should be counted as an Hispanic while Marie Gonzalez is of Irish ancestry married to an Hispanic and therefore should not be counted as an Hispanic). The sight system is also subject to oversight (e.g., Andy Young<sup>3</sup> and I were not among those reported as minority employees in 1977). Obviously, minority identification is crucial and deserves more attention than it has received in the past.

Last spring M/EEO made personal visits to bureaus to check accuracy of our lists and that resulted in "finding" approximately 100 minorities not previously identified (largely in the GS/GG workforce). This discovery somewhat distorts statistics because our minority population was in fact about 0.8% larger than documented as of December 31, 1976. However, rather than make changes as of that date and earlier we will temper reaction to increases as of December 31, 1977.

We also use whatever other means are available to us (short of asking employees directly) in order to ensure that our confidential identification files are as accurate as possible. Thus, in spite of shortcomings in the identification process, we believe our records are a fairly

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 8, Chron March 1978. No classification marking. Copies were sent to Barnes and Clark.

<sup>2</sup> See Document 206.

<sup>3</sup> Andrew Young, U.S. Representative to the UN.

reliable picture of the Department's minority employment. Attachments and highlights are as follows:

Tab A—*One-Year Comparison of All Pay Plans By Grades Therein*  
(Total Minorities)

The representation of minorities in the total workforce went up by 1.1% (from 15.1% on December 31, 1976 to 16.2% on December 31, 1977).

Experts on the representation of minorities in the national workforce can't seem to agree, but the figure appears to hover around 16% (low, of course, because of high unemployment among minorities). Our overall representation of 16.2%, therefore, on the surface may be respectable. Yet, as was the case with women, representation of minorities among the several pay plans varies from a low of 4.5% in FSO to a high of 41.5% in GS.

The representation of minorities in all FS pay plans increased over the past year: FSO's by 0.2%, FSR's by 1.3%, FSRU's by 1.1%, FSS/FSSO's by 0.1%, and total FS by 0.5%.

In the twelve months ending December 31, 1977, the GS/GG plans show minorities increasing by 1.7% from 38.0% to 39.7%. The health of this situation can be evaluated in at least two different ways. There are those who believe that, since the metropolitan D.C. area has a large minority population, our GS/GG minority representation is not excessive. On the other hand, there are those (like the Civil Service Commission) who believe that our GS/GG minority and female representations are too large; that criticism includes the assumption that we recruit nationally, which we do to a modest degree. The answer may be somewhere in between. In any event, as long as GS/GG categories are viewed as less than full and vital participants in our mission we must be concerned. The paucity of minorities at the senior Civil Service levels (not a single minority above GS-15) is especially disturbing.

Tab B—*Breakdowns By Minority Sub-Groups*

1. By Pay Plans 1976–7
2. By Pay Plans and Grades 1977

In order to be responsive to the individual special-emphasis minority groups, the CSC requires sub-group breakouts. The sub-group picture is also useful in targeting recruitment.

Blacks, who constitute approximately 11% of the U.S. population and about 10% of the national workforce, constitute 13.7% of our total workforce (up 0.9% from 12.8% a year ago). In the total Foreign Service, black representation is up by 0.4% (from 4.0% to 4.4%) while FSO's increased by 0.2% (from 2.7% to 2.9%). Among GS/GG employees, blacks went from 35.3% to 36.3% or an increase of 1.0%.

Hispanics now constitute a little over 5% of the U.S. population and a little over 4% of the national workforce. In our total workforce,

Hispanic representation went from 1.4% at the end of 1976 to 1.5% at the end of 1977 (+0.1%). The exact same figures prevail in total FS pay plans while FSO's went from 1.0% to 1.1% (+0.1%). The GS/GG workforce shows an increase of 0.3% for Hispanics (up from 1.4% to 1.7%).

American Indians (Native Americans) constitute approximately 0.4% of the U.S. population and about 0.1% of the national workforce. At State, Native Americans represent 0.1% of our total workforce—no percentile change in the past year although in absolutes the total went from 11 to 15 due to our clean-up of identifications mentioned on page 1 of this memo. Of more than 9,000 employees in all FS pay plans, only 4 are Native Americans (less than one-tenth of one percent); among 3,514 FSO's, only one is Native American. No change at all in any FS pay plan between 1976 and 1977. The GS/GG figure for Native Americans went up by 0.1% (from 0.2% to 0.3%).

Asian Americans, or Americans of Oriental origin, constitute a little over 1% of the U.S. population and about 1% of the national workforce. Our total workforce shows 0.9% for Asian Americans (up 0.1% from 0.8% in the past year). There was no change in the FS total—stands constant at 0.7%, with FSO's also remaining constant at 0.5%. The Asian-American GS/GG workforce shows an increase of 0.3% (from 1.1% to 1.4%).

From the above breakouts it is again very obvious that all sub-groups are too sparsely represented in the Foreign Service and, in some cases, overrepresented in the Civil Service. It seems appropriate here to quote the 1974 CSC inspection report:<sup>4</sup> "Despite the intensified minority recruiting efforts of the State Department, the agency's employment profile continues to show an overwhelming white foreign service and an increasingly black civil service."

*Tab C—Two-Year Study of Workforce Growth By Pay Plan and Minorities*

For a different short-term perspective, this study shows that in the past two years the overall number of minorities (all pay plans) has grown at a pace (+10.3%) greater than the total workforce (+4.1%) and non-minorities (+2.9%). Some degree of growth in minority strength is visible in all pay plans.

Among FSO's, minorities went from 146 on December 31, 1975 to 159 as of December 31, 1977—or plus 13 (=8.9%) while total FSO's grew by 53 (=1.4%) and non-minorities grew by 40 (=1.2%). That kind of growth of minorities, if at least sustained, is encouraging. In my

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<sup>4</sup> Not found.



view, however, we should aim at even greater growth so that, for example, staffing of posts soon will be more representative of the U.S.

The FSR pay plan shows a two-year growth of 1 or 0.5% for minorities while total went down 20 or 0.9% and non-minorities went down 21 or 1.0%. While we have trouble explaining this catch-all pay plan, it must be assumed (as was the case with women) that the freeze on MRB-8 laterals is causing the declines in total and non-minorities. What probably would have been a similar decline for minorities may have been offset by the minority FSR/JO program—a net of 35 hires in 1976–77—plus seven hires under the Middle-Level program in the same two years. The FSRU increases also explain the FSR decreases (total up 451 or +142.7% and non-minorities up 413 or +137.2%); for minorities, the growth (up 38 or +253.3%) is good although they remain less than one-tenth of the FSRU pay plan.

Minorities in the FS Staff Corps declined by 3 (–1.7%) in the past two years while total declined by 206 (–7.5%) and non-minorities declined by 203 (–7.9%). This slower rate of decline for minorities may be good, unless the FSS pay plan loses more stature.

Minorities in all FS pay plans went from 547 in 1975 to 596 in 1977, a growth of 49 or 9.0%. That kind of growth shows a good trend. Total FS population grew by 278 or 3.2% and non-minorities grew by 229 or 2.8%.

Turning to the GS/GG categories, minority growth over these two years was 144 or 10.9% while total growth was 218 or 6.2% and non-minority growth was 74 or 3.4%. Here we should have some doubts about the high minority growth.

Tab D—*Nine-Year Comparison of All Pay Plans By Grades Therein*

Employment data-gathering on minorities in federal agencies did not develop any sophistication until the mid-1960's. At State, 1969 is the earliest year for which we can locate any reliable figures (and even those do not include the GG plan). Our ability to make long-term comparisons is, therefore, somewhat limited.

In this nine-year study (without the GG plan), the representation of minorities in the total workforce went up 3.1% (from 13.0% on November 30, 1969 to 16.1% on December 31, 1977).

The largest increase in minority representation occurred in the GS pay plan—up 6.0% from 35.5% to 41.5%. This may be some kind of irony since in these nine years apparently the GS pay plan lost status at State with many position designations converted from GS to FS. As was the case with women, minorities are concentrated at GS-6 and below (64.4% or 719 of 1,116 in 1969 and 52.8% or 747 of 1,414 in 1977). While this long-term study shows some progress for GS minorities at the support, junior, and middle levels, minorities lost ground at the

senior level (down from 3.8% to 0.0%). Clearly, a Civil Service Upward Mobility Program must get priority attention.

In the nine-year period covered here, the total FS pay plans gained 0.9% in minority representation (up from 5.7% to 6.6%). All levels show increases except the support level and even that can be viewed as progress.

Representation of minorities in the FSO pay plan went from 2.0% in 1969 to 4.5% in 1977, or an increase of 2.5%. A large part of the increase is due to the FSR/JO minority program commenced in 1967. Since the first conversion to FSO in 1972, approximately 70 have been converted and about 60 remain in our employ at the FSO-6 and -5 level. Modest progress is also visible for minorities at senior and middle levels of the FSO plan, but failure of minority intake via the exam process is probably responsible for the poor record at FSO-8 and -7.

In a nine-year study like this, the FSR pay plan remains elusive. We know that population rose significantly after 1971 due to the FAS program and that population started falling quickly about 1974 for the same reason (conversions to FSRU). The same kind of in-and-out to FSO is true of the minority FSR/JO program initiated in 1967, although approximately 70 hires remain in the FSR plan. Still the increase in FSR minority representation over nine years was only 1.8%.

The minorities left in the vanishing FS Staff Corps show some progress at top and middle levels in spite of movement out, presumably, to FSR and FSRU and perhaps to FSO. In total, minority representation in FSS/FSSO dropped by 0.7% since 1969. That kind of change is hard to assess since the future of that pay plan appears somewhat uncertain.

*Tab E—Nine-Year Study of Workforce Growth By Pay Plan and Minorities*

This long-term growth perspective shows that between 1969–77 minorities in the total workforce have grown by 343 (+20.6%) while the total population decreased by 367 (–2.9%) and non-minorities decreased by 710 (–6.4%).

As we discovered in our ten-year study of women, the GS workforce increased in this comparable period—by 264 (+8.4%) with non-minorities declining by 34 (–1.7%) and minorities increasing by 298 (+26.7%). The total of all FS plans lost 631 (–6.5%), non-minorities therein lost 676 (–7.4%), and minorities therein gained 45 (+8.2%). In other words, of the 343 increase in minorities over 1969–77, 298 (or 86.9%) were in the GS pay plan and 45 (or 13.1%) were in the FS pay plans. That tilt, perhaps signifying stereotyping, should concern us because here again we are talking about support type positions.

The FSO pay plan shows the most dramatic increase for minorities in this nine-year study—up 92 from 67 to 159 (+137.3%). As suggested

earlier, this increase would not have been possible without the FSR/JO minority program. The total FSO Corps grew by 236 (+7.2%) and non-minorities grew by 144 (+4.5%).

The FSR/FSRU pay plans increased by 1,522 (+103.5%) between 1969 and 1977. Non-minorities grew by 1,371 (+100.9%) and minorities grew by 151 (+134.8%). The many variables influencing these two pay plans once more leave us uncertain. One can speculate that the FAS program was good for improving the status of minorities by providing an escape from GS/GG and FSS/FSSO, yet FSRU causes the loss of all employees more quickly (including minorities) so that representation of minorities in those two pay plans remains below 10%.

Minorities in FSS/FSSO decreased by 198 (–53.2%) in the last nine years—ahead of total loss of 2,389 (–48.6%) and ahead of non-minority loss of 2,191 (–48.2%). Interpretation of this loss will be influenced to some degree by what plans we have for the future of the FS Staff Corps.

Tab F—*a. Minority FSO's By Cone*  
*b. Minority FSO Promotions*  
*c. Minority FSO's By Grade/Level*

Minority representation in the FSO pay plan, as with female representation, probably is our greatest challenge. Since data collecting on minorities and the FSO exam/intake has only begun this past year, we have no definitive statistics to offer in this collection.

We can, however, show you conal distribution of minority FSO's as of December 31, 1977. While not as startling as with women, minorities are heavily concentrated in the Consular cone and in short supply in Executive roles and the Political and Economic cones. (By the way, of the 159 minority FSO's only 25 are women; of those 13 are Consular).

Collection of data on minority FSO promotions was started with the 1977 list (data on 1978 promotions should be ready in a few weeks). It is clear that 13.0% of eligible minorities were promoted vs. 19.1% among non-minorities. It is also clear that the average age of minorities promoted was lower than for non-minorities and that average time-in-class (without previous pay plan time) was more favorable for minorities. However, one study does not demonstrate a trend.

The nine-year study by FSO grades and levels is intended to show year-by-year movement. The senior level deserves special focus, with an increase of 1.3% for minorities. I suppose that could be viewed as progress, yet we must remain aware that 16 of the 18 minorities at that level are eligible for retirement (over 50 years of age). If they elect retirement, the senior level FSO minorities would be almost wiped out (the situation for women is similar at the top level).

*Conclusion*

Once again it is evident, I believe, that we must sustain affirmative action initiatives to make our workforce more representative of the U.S. population.

**Tab A**

**Table Prepared in the Office of Equal Employment  
Opportunity<sup>5</sup>**

Washington, February 1978

DEPARTMENT OF STATE  
MINORITY EMPLOYEES—BY GRADE AND PAY PLANS  
ONE YEAR STUDY

	12/31/76			12/31/77			
	Total Pop.	Total Minorities	Percent	Total Pop.	Total Minorities	Percent	Percent Change
COMBINED FOREIGN SERVICE AND CIVIL SERVICE							
SENIOR LEVEL							
CA	1	—	—	—	—	—	—
CM	40	1	2.5	39	1	2.6	+ 0.1
FSO/R/RU-1 & GS/GG-18/17	417	7	1.7	456	10	2.2	+ 0.5
-2 -16	<u>567</u>	<u>13</u>	2.3	<u>565</u>	<u>16</u>	2.8	+ 0.5
Sub Total Senior Level	1,025	21	2.0	1,060	27	2.5	+ 0.5
MIDDLE LEVEL							
FSO/R/RU-3, FSSO- 1 & GS/GG-15/14	1,194	48	4.0	1,237	54	4.4	+ 0.4
-4 -2 -13	1,456	72	4.9	1,468	79	5.4	+ 0.5
-5 -3 -12	<u>1,401</u>	<u>144</u>	10.3	<u>1,429</u>	<u>156</u>	10.9	+ 0.6
Sub Total Middle Level	4,051	264	6.5	4,134	289	7.0	+ 0.5
JUNIOR LEVEL							
FSO/R/RU-6, FSSO- 4 & GS/GG-11/10	1,527	224	14.7	1,635	234	14.3	- 0.4
-7 -5 -9/8	1,899	357	18.8	1,932	386	20.0	+ 1.2
-8 -6/7 -7	<u>1,883</u>	<u>321</u>	17.0	<u>1,751</u>	<u>321</u>	18.3	+ 1.3
Sub Total Junior Level	5,309	902	17.0	5,318	941	17.7	+ 0.7

<sup>5</sup> No classification marking. Source: PER/MGT/OS Quarterly Summary of Employment (excluded are non-career Chiefs of Mission, FS/GS Unclassified, Consular Agents, Resident Staff, Wage Board, WAE, and Contract).

*SUPPORT LEVEL*

FSS-8 & GS/GG-6	885	230	26.0	969	254	26.2	+ 0.2
-9           -5	671	243	36.2	618	256	41.4	+ 5.2
-10       -4/3/2/1	<u>526</u>	<u>226</u>	43.0	<u>644</u>	<u>300</u>	46.6	+ 3.6
Sub Total Support Level	2,082	699	33.6	2,231	810	36.3	+ 2.7
GRAND TOTAL FS & GS	12,467	1,886	15.1	12,743	2,067	16.2	+ 1.1

*ALL FOREIGN SERVICE (FSO/R/RU AND FSSO/FSS)*

CA	1	—	—	—	—	—	—
CM	40	1	2.5	39	1	2.6	+ 0.1
FSO/R/RU-1	411	7	1.7	450	10	2.2	+ 0.5
-2	<u>544</u>	<u>12</u>	2.2	<u>543</u>	<u>15</u>	2.8	+ 0.6
Sub Total Senior Level	996	20	2.0	1,032	26	2.5	+ 0.5
-3/FSSO-1	980	33	3.4	1,018	38	3.7	+ 0.3
-4    -2	1,313	58	4.4	1,310	64	4.9	+ 0.5
-5    -3	<u>1,244</u>	<u>110</u>	8.8	<u>1,248</u>	<u>115</u>	9.2	+ 0.4
Sub Total Middle Level	3,537	201	5.7	3,576	217	6.1	+ 0.4
-6    -4	1,197	112	9.4	1,287	118	9.2	- 0.2
-7    -5	1,227	82	6.7	1,255	107	8.5	+ 1.8
-8    -6	791	49	6.2	775	54	7.0	+ 0.8
-7	<u>589</u>	<u>46</u>	7.8	<u>464</u>	<u>33</u>	7.1	- 0.7
Sub Total Junior Level	3,804	289	7.6	3,781	312	8.3	+ 0.7
FSS-8	431	23	5.3	506	33	6.5	+ 1.2
-9	130	13	10.0	100	7	7.0	- 3.0
-10	<u>41</u>	<u>1</u>	2.4	<u>41</u>	<u>1</u>	2.4	—
Sub Total Support Level	602	37	6.1	647	41	6.3	+ 0.2
TOTAL FS	8,939	547	6.1	9,036	596	6.6	+ 0.5

*FOREIGN SERVICE OFFICER (FSO)*

CA	1	—	—	—	—	—	—
CM	40	1	2.5	39	1	2.6	+ 0.1
FSO-1	311	6	1.9	341	8	2.3	+ 0.4
-2	<u>305</u>	<u>10</u>	3.3	<u>310</u>	<u>9</u>	2.9	- 0.4
Sub Total Senior Level	657	17	2.6	690	18	2.6	—
-3	615	17	2.8	655	16	2.4	- 0.4
-4	854	27	3.2	803	31	3.9	+ 0.7
-5	<u>627</u>	<u>68</u>	10.8	<u>590</u>	<u>68</u>	11.5	+ 0.7
Sub Total Middle Level	2,096	112	5.3	2,048	115	5.6	+ 0.3
-6	340	20	5.9	397	24	6.0	+ 0.1
-7	283	1	0.4	318	2	0.6	+ 0.2
-8	<u>85</u>	<u>—</u>	—	<u>61</u>	<u>—</u>	—	—
Sub Total Junior Level	708	21	3.0	776	26	3.4	+ 0.4
TOTAL FSO	3,461	150	4.3	3,514	159	4.5	+ 0.2

<i>FOREIGN SERVICE RESERVE (FSR)</i>							
FSR-1	60	—	—	60	1	1.7	+ 1.7
-2	<u>145</u>	<u>1</u>	0.7	<u>126</u>	<u>5</u>	4.0	+ 3.3
Sub Total Senior Level	205	1	0.5	186	6	3.2	+ 2.7
-3	218	12	5.5	198	15	7.6	+ 2.1
-4	274	15	5.5	285	16	5.6	+ 0.1
-5	<u>340</u>	<u>29</u>	8.5	<u>378</u>	<u>28</u>	7.4	- 1.1
Sub Total Middle Level	832	56	6.7	861	59	6.9	+ 0.2
-6	495	60	12.1	462	55	11.9	- 0.2
-7	546	52	9.5	534	71	13.3	+ 3.8
-8	<u>208</u>	<u>17</u>	8.2	<u>183</u>	<u>19</u>	10.4	+ 2.2
Sub Total Junior Level	1,249	129	10.3	1,179	145	12.3	+ 2.0
TOTAL FSR	2,286	186	8.1	2,226	210	9.4	+ 1.3
<i>FOREIGN SERVICE RESERVE UNLIMITED (FSRU)</i>							
FSRU-1	40	1	2.5	49	1	2.0	- 0.5
-2	<u>94</u>	<u>1</u>	1.1	<u>107</u>	<u>1</u>	0.9	- 0.2
Sub Total Senior Level	134	2	1.5	156	2	1.3	- 0.2
-3	92	4	4.3	108	5	4.6	+ 0.3
-4	85	10	11.8	124	13	10.5	- 1.3
-5	<u>86</u>	<u>3</u>	3.5	<u>109</u>	<u>6</u>	5.5	+ 0.7
Sub Total Middle Level	263	17	6.5	341	24	7.0	+ 0.5
-6	85	6	7.1	166	14	8.4	+ 1.3
-7	37	5	13.5	95	12	12.6	- 0.9
-8	<u>2</u>	<u>—</u>	—	<u>9</u>	<u>1</u>	11.1	+11.1
Sub Total Junior Level	124	11	8.9	270	27	10.0	+ 1.1
TOTAL FSRU	521	30	5.8	767	53	6.9	+ 1.1
<i>FOREIGN SERVICE STAFF (FSSO/FSS)</i>							
FSSO-1	55	—	—	57	2	3.5	+ 3.5
-2	100	6	6.0	98	4	4.1	- 1.9
-3	<u>191</u>	<u>10</u>	5.2	<u>171</u>	<u>13</u>	7.6	+ 2.4
Sub Total Middle Level	346	16	4.6	326	19	5.8	+ 1.2
-4	277	26	9.4	262	25	9.5	+ 0.1
-5	361	24	6.6	308	22	7.1	+ 0.5
-6	496	32	6.5	522	34	6.5	—
-7	<u>589</u>	<u>46</u>	7.8	<u>464</u>	<u>33</u>	7.1	- 0.7
Sub Total Junior Level	1,723	128	7.4	1,556	114	7.3	- 0.1
FSS-8	431	23	5.3	506	33	6.5	+ 1.2
-9	130	13	10.0	100	7	7.0	- 3.0
-10	<u>41</u>	<u>1</u>	2.4	<u>41</u>	<u>1</u>	2.4	—
Sub Total Support Level	602	37	6.1	647	41	6.3	+ 0.2
TOTAL FSSO/FSS	2,671	181	6.8	2,529	174	6.9	+ 0.1

<i>ALL CIVIL SERVICE (GS/GG)</i>							
GS/GG-18	3	—	—	2	—	—	—
-17	3	—	—	4	—	—	—
-16	<u>23</u>	<u>1</u>	4.3	<u>22</u>	<u>1</u>	4.5	+ 0.2
Sub Total Senior Level	29	1	3.4	28	1	3.6	+ 0.2
-15	118	11	9.3	121	12	9.9	+ 0.6
-14	96	4	4.2	98	4	4.1	- 0.1
-13	143	14	9.8	158	15	9.5	- 0.3
-12	<u>157</u>	<u>34</u>	21.7	<u>181</u>	<u>41</u>	22.7	+ 1.0
Sub Total Middle Level	514	63	12.3	558	72	12.9	+ 0.6
-11	275	97	35.3	281	98	34.9	- 0.4
-10	55	15	27.3	67	18	26.9	- 0.4
-9	411	156	38.0	407	157	38.6	+ 0.6
-8	261	119	45.6	270	122	45.2	- 0.4
-7	<u>503</u>	<u>226</u>	44.9	<u>512</u>	<u>234</u>	45.7	+ 0.8
Sub Total Junior Level	1,505	613	40.7	1,537	629	40.9	+ 0.2
-6	454	207	45.6	463	221	47.7	+ 2.1
-5	541	230	42.5	518	249	48.1	+ 5.6
-4	272	105	38.5	317	126	39.7	+ 1.2
-3	134	61	45.5	176	100	56.8	+11.3
-2	70	52	74.3	94	63	67.0	- 7.3
-1	<u>9</u>	<u>7</u>	77.8	<u>16</u>	<u>10</u>	62.5	-15.3
Sub Total Support Level	1,480	662	44.7	1,584	769	48.5	+ 3.8
TOTAL CS	3,528	1,339	38.0	3,707	1,471	39.7	+ 1.7
<i>CIVIL SERVICE (GS)</i>							
GS-18	3	—	—	2	—	—	—
-17	3	—	—	3	—	—	—
-16	<u>22</u>	<u>—</u>	—	<u>21</u>	<u>—</u>	—	—
Sub Total Senior Level	28	—	—	26	—	—	—
-15	109	10	9.2	112	11	9.8	+ 0.6
-14	85	4	4.7	89	4	4.5	- 0.2
-13	128	14	10.9	143	15	10.5	- 0.4
-12	<u>147</u>	<u>34</u>	23.1	<u>170</u>	<u>41</u>	24.1	+ 1.0
Sub Total Middle Level	469	62	13.2	514	71	13.8	+ 0.6
-11	262	94	35.9	268	96	35.8	- 0.1
-10	42	11	26.2	54	14	25.9	- 0.3
-9	387	147	38.0	377	147	39.0	+ 1.0
-8	228	104	45.6	237	110	46.4	+ 0.8
-7	<u>463</u>	<u>221</u>	47.7	<u>472</u>	<u>229</u>	48.5	+ 0.8
Sub Total Junior Level	1,382	577	41.8	1,408	596	42.3	+ 0.5
-6	365	194	53.2	372	202	54.3	+ 1.1
-5	515	228	44.3	492	246	50.0	+ 5.7
-4	270	105	38.9	316	126	39.9	+ 1.0
-3	134	61	45.5	175	100	57.1	+11.6

-2	68	52	76.5	92	63	68.5	- 8.0
-1	<u>9</u>	<u>7</u>	77.8	<u>16</u>	<u>10</u>	62.5	-15.3
Sub Total Support Level	1,361	647	47.5	1,463	747	51.1	+ 3.6
TOTAL GS	3,240	1,286	39.7	3,411	1,414	41.5	+ 1.8

*CIVIL SERVICE (GG)*

GG-18	—	—	—	—	—	—	—
-17	—	—	—	1	—	—	—
-16	<u>1</u>	<u>1</u>	100.0	<u>1</u>	<u>1</u>	100.0	—
Sub Total Senior Level	1	1	100.0	2	1	50.0	-50.0
-15	9	1	11.1	9	1	11.1	—
-14	11	—	—	9	—	—	—
-13	15	—	—	15	—	—	—
-12	<u>10</u>	<u>—</u>	—	<u>11</u>	<u>—</u>	—	—
Sub Total Middle Level	45	1	2.2	44	1	2.3	+ 0.1
-11	13	3	23.1	13	2	15.4	- 7.7
-10	13	4	30.8	13	4	30.8	—
-9	24	9	37.5	30	10	33.3	- 4.2
-8	33	15	45.5	33	12	36.4	- 9.1
-7	<u>40</u>	<u>5</u>	12.5	<u>40</u>	<u>5</u>	12.5	—
Sub Total Junior Level	123	36	29.3	129	33	25.6	- 3.7
-6	89	13	14.6	91	19	20.9	+ 6.3
-5	26	2	7.7	26	3	11.5	+ 3.8
-4	2	—	—	1	—	—	—
-3	—	—	—	1	—	—	—
-2	2	—	—	2	—	—	—
-1	<u>—</u>	<u>—</u>	—	<u>—</u>	<u>—</u>	—	—
Sub Total Support Level	119	15	12.6	121	22	18.2	+ 5.6
TOTAL GG	288	53	18.4	296	57	19.3	+ 0.9

*SUMMARY BY PAY PLAN**FOREIGN SERVICE*

CA	1	—	—	—	—	—	—
CM	40	1	2.5	39	1	2.6	+ 0.1
FSO	3,420	149	4.4	3,475	158	4.5	+ 0.1
FSR	2,286	189	8.1	2,226	210	9.4	+ 1.3
FSRU	521	30	5.8	767	53	6.9	+ 1.1
FSSO/FSS	<u>2,671</u>	<u>181</u>	6.8	<u>2,529</u>	<u>174</u>	6.9	+ 0.1
TOTAL FOREIGN SERVICE	8,939	547	6.1	9,036	596	6.6	+ 0.5

*CIVIL SERVICE*

GS	3,240	1,286	39.7	3,411	1,414	41.5	+ 1.8
GG	<u>288</u>	<u>53</u>	18.4	<u>296</u>	<u>57</u>	19.3	+ 0.9
TOTAL CIVIL SERVICE	3,528	1,339	38.0	3,707	1,471	39.7	+ 1.7
GRAND TOTAL	12,467	1,886	15.1	12,743	2,067	16.2	+ 1.1



Tab B

Table Prepared in the Office of Equal Employment Opportunity<sup>6</sup>

Washington, February 1978

DEPARTMENT OF STATE											
MINORITY EMPLOYEES—BY PAY PLANS AND SUB GROUPS											
AS OF 12/31/77											
TOTAL POP.	MINORITIES										
	TOTAL MINORITIES <sup>7</sup>		BLACK		HISPANIC		NATIVE AMER.		ASIAN AMER.		
	NO.	%	NO.	%	NO.	%	NO.	%	NO.	%	
COMBINED FOREIGN SERVICE AND CIVIL SERVICE											
SENIOR LEVEL											
CA	—	—	—	—	—	—	—	—	—	—	—
CM	39	1	2.6	1	2.6	—	—	—	—	—	—
FSO/R/RU-1 & GS/GG-18/17	456	10	2.2	4	0.9	6	1.3	—	—	—	—
—2 —16	<u>565</u>	<u>16</u>	2.8	<u>10</u>	1.8	<u>4</u>	0.7	—	—	2	0.4
Sub Total Senior Level	1,060	27	2.5	15	1.4	10	0.9	—	—	2	0.2
MIDDLE LEVEL											
FSO/R/RU-3,FSSO-1, & GS/GG-15/14	1,237	54	4.4	36	2.9	7	0.6	—	—	11	0.9
—4 —2 —13	1,468	79	5.4	52	3.5	18	1.2	—	—	9	0.6
—5 —3 —12	<u>1,429</u>	<u>156</u>	10.9	<u>120</u>	8.4	<u>22</u>	1.5	<u>1</u>	0.1	<u>13</u>	0.9
Sub Total Middle Level	4,134	289	7.0	208	5.0	47	1.1	1	—	33	0.8
JUNIOR LEVEL											
FSO/R/RU-6, FSSO-4, & GS/GG-11/10	1,635	234	14.3	184	11.2	27	1.7	1	0.1	22	1.3
—7 —5 —9/8	1,932	386	20.0	321	16.6	44	2.3	5	0.3	16	0.8
—8 —6/7 —7	<u>1,751</u>	<u>321</u>	18.3	<u>279</u>	15.9	<u>26</u>	1.5	<u>3</u>	0.2	<u>13</u>	0.7
Sub Total Junior Level	5,318	941	17.7	784	14.7	97	1.8	9	0.2	51	1.0
SUPPORT LEVEL											
FSS-8 & GS/GG-6	969	254	26.2	215	22.2	21	2.2	3	0.3	15	1.5
—9 —5	618	256	41.4	243	39.3	10	1.6	—	—	3	0.5
—10 —4/3/2/1	<u>644</u>	<u>300</u>	46.6	<u>279</u>	43.3	<u>10</u>	1.6	<u>2</u>	0.3	<u>9</u>	1.4
Sub Total Support Level	2,231	810	36.3	737	33.0	41	1.8	5	0.2	27	1.2
GRAND TOTAL FS & GS	12,743	2,067	16.2	1,744	13.7	195	1.5	15	0.1	113	0.9

<sup>6</sup> No classification marking. Source: PER/MGT/OS Quarterly Summary of Employment (excluded are non-career Chiefs of Mission, FS/GS Unclassified, Consular Agents, Resident Staff, Wage Board, WAE, and Contract).

<sup>7</sup> Due to rounding, the sum of the sub group percent figures may not equal that of the total minorities figures on some lines. [Footnote is in the original.]

*ALL FOREIGN SERVICE (FSO/R/RU AND FSSO/FSS)*

CA	—	—	—	—	—	—	—	—	—	—
CM	39	1	2.6	1	2.6	—	—	—	—	—
FSO/R/RU-1	450	10	2.2	4	0.9	6	1.3	—	—	—
-2	<u>543</u>	<u>15</u>	2.8	<u>10</u>	1.8	<u>3</u>	0.6	—	—	<u>2</u> 0.4
Sub Total Senior Level	1,032	26	2.5	15	1.5	9	0.9	—	—	2 0.2
-3 & FSSO-1	1,018	38	3.7	23	2.3	6	0.6	—	—	9 0.9
-4	1,310	64	4.9	38	2.9	17	1.3	—	—	9 0.7
-5	<u>1,248</u>	<u>115</u>	9.2	<u>83</u>	6.7	<u>21</u>	1.7	<u>1</u>	0.1	<u>10</u> 0.8
Sub Total Middle Level	3,576	217	6.1	144	4.0	44	1.2	1	—	28 0.8
-6	1,287	118	9.2	79	6.1	22	1.7	1	0.1	16 1.2
-7	1,255	107	8.5	75	6.0	25	2.0	1	0.1	6 0.5
-8	775	54	7.0	37	4.8	13	1.7	—	—	4 0.5
-7	<u>464</u>	<u>33</u>	7.1	<u>22</u>	4.7	<u>7</u>	1.5	<u>1</u>	0.2	<u>3</u> 0.6
Sub Total Junior Level	3,781	312	8.3	213	5.6	67	1.8	3	0.1	29 0.8
FSS-8	506	33	6.5	19	3.8	11	2.2	—	—	3 0.6
-9	100	7	7.0	5	5.0	2	2.0	—	—	—
-10	<u>41</u>	<u>1</u>	2.4	<u>1</u>	2.4	—	—	—	—	—
Sub Total Support Level	647	41	6.3	25	3.9	13	2.0	—	—	3 0.5
TOTAL FS	9,036	596	6.6	397	4.4	133	1.5	4	—	62 0.7

*FOREIGN SERVICE OFFICERS (FSO)*

CA	—	—	—	—	—	—	—	—	—	—
CM	39	1	2.6	1	2.6	—	—	—	—	—
FSO-1	341	8	2.3	4	1.2	4	1.2	—	—	—
-2	<u>310</u>	<u>9</u>	2.9	<u>5</u>	1.6	<u>3</u>	1.0	—	—	<u>1</u> 0.3
Sub Total Senior Level	690	18	2.6	10	1.4	7	1.0	—	—	1 0.1
-3	655	16	2.4	9	1.4	2	0.3	—	—	5 0.8
-4	803	31	3.9	20	2.5	9	1.1	—	—	2 0.2
-5	<u>590</u>	<u>68</u>	11.5	<u>49</u>	8.3	<u>12</u>	2.0	<u>1</u>	0.2	<u>6</u> 1.0
Sub Total Middle Level	2,048	115	5.6	78	3.8	23	1.1	1	—	13 0.6
-6	397	24	6.0	14	3.5	6	1.5	—	—	4 1.0
-7	318	2	0.6	—	—	2	0.6	—	—	—
-8	<u>61</u>	—	—	—	—	—	—	—	—	—
Sub Total Junior Level	776	26	3.4	14	1.8	8	1.0	—	—	4 0.5
TOTAL FSO	3,514	159	4.5	102	2.9	38	1.1	1	—	18 0.5

*FOREIGN SERVICE RESERVE (FSR)*

FSR-1	60	1	1.7	—	—	1	1.7	—	—	—
-2	<u>126</u>	<u>5</u>	4.0	<u>4</u>	3.2	—	—	—	—	<u>1</u> 0.8
Sub Total Senior Level	186	6	3.2	4	2.2	1	0.5	—	—	1 0.5
-3	198	15	7.6	9	4.5	3	1.5	—	—	3 1.5
-4	285	16	5.6	9	3.2	4	1.4	—	—	3 1.1
-5	<u>378</u>	<u>28</u>	7.4	<u>19</u>	5.0	<u>7</u>	1.9	—	—	<u>2</u> 0.5
Sub Total Middle Level	861	59	6.9	37	4.3	14	1.6	—	—	8 0.9
-6	462	55	11.9	44	9.5	6	1.3	—	—	5 1.1
-7	534	71	13.3	54	10.1	14	2.6	1	0.2	2 0.4
-8	<u>183</u>	<u>19</u>	10.4	<u>18</u>	9.8	<u>1</u>	0.5	—	—	—
Sub Total Junior Level	1,179	145	12.3	116	9.8	21	1.8	1	0.1	7 0.6
TOTAL FSR	2,226	210	9.4	157	7.1	36	1.6	1	—	16 0.7

*FOREIGN SERVICE RESERVE UNLIMITED (FSRU)*

FSRU-1	49	1	2.0	—	—	1	2.0	—	—	—
-2	<u>107</u>	<u>1</u>	0.9	<u>1</u>	0.9	—	—	—	—	—
Sub Total Senior Level	156	2	1.3	1	0.6	1	0.6	—	—	—



-15	112	11	9.8	10	8.9	—	—	—	—	1	0.9
-14	89	4	4.5	3	3.4	1	1.1	—	—	—	—
-13	143	15	10.5	14	9.8	1	0.7	—	—	—	—
-12	<u>170</u>	<u>41</u>	24.1	<u>37</u>	21.6	<u>1</u>	0.6	<u>—</u>	<u>—</u>	<u>3</u>	1.8
Sub Total Middle Level	514	71	13.8	64	12.5	3	0.6	—	—	4	0.8
-11	268	96	35.8	91	34.0	2	0.7	—	—	3	1.1
-10	54	14	25.9	14	25.9	—	—	—	—	—	—
-9	377	147	39.0	139	36.9	5	1.3	1	0.3	2	0.5
-8	237	110	46.4	104	43.9	2	0.8	3	1.3	1	0.4
-7	<u>472</u>	<u>229</u>	48.5	<u>219</u>	46.4	<u>5</u>	1.1	<u>2</u>	0.4	<u>3</u>	0.6
Sub Total Junior Level	1,408	596	42.3	567	40.3	14	1.0	6	0.4	9	0.6
-6	372	202	54.3	192	51.6	5	1.3	3	0.8	2	0.5
-5	492	246	50.0	238	48.4	5	1.0	—	—	3	0.6
-4	316	126	39.9	114	36.1	6	1.9	1	0.3	5	1.6
-3	175	100	57.1	94	53.7	4	2.3	—	—	2	1.1
-2	92	63	68.5	61	66.3	—	—	1	1.1	1	1.1
-1	<u>16</u>	<u>10</u>	62.5	<u>9</u>	56.3	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1</u>	6.3
Sub Total Support Level	1,463	747	51.1	708	48.4	20	1.4	5	0.3	14	1.0
TOTAL GS	3,411	1,414	41.5	1,339	39.3	37	1.1	11	0.3	27	0.8

CIVIL SERVICE (GG)

GG-18	—	—	—	—	—	—	—	—	—	—	—
-17	1	—	—	—	—	—	—	—	—	—	—
-16	<u>1</u>	<u>1</u>	100.0	<u>—</u>	—	<u>1</u>	100.0	<u>—</u>	<u>—</u>	<u>—</u>	—
Sub Total Senior Level	2	1	50.0	—	—	1	50.0	—	—	—	—
-15	9	1	11.1	—	—	—	—	—	—	1	11.1
-14	9	—	—	—	—	—	—	—	—	—	—
-13	15	—	—	—	—	—	—	—	—	—	—
-12	<u>11</u>	<u>—</u>	—	<u>—</u>	—	<u>—</u>	—	<u>—</u>	<u>—</u>	<u>—</u>	—
Sub Total Middle Level	44	1	2.3	—	—	—	—	—	—	1	2.3
-11	13	2	15.4	—	—	2	15.4	—	—	—	—
-10	13	4	30.8	—	—	1	7.7	—	—	3	23.1
-9	30	10	33.3	1	3.3	4	13.3	—	—	5	16.7
-8	33	12	36.4	2	6.1	8	24.2	—	—	2	6.1
-7	<u>40</u>	<u>5</u>	12.5	<u>1</u>	2.5	<u>1</u>	2.5	<u>—</u>	<u>—</u>	<u>3</u>	7.5
Sub Total Junior Level	129	33	25.6	4	3.1	16	12.4	—	—	13	10.1
-6	91	19	20.9	4	4.4	5	5.5	—	—	10	11.0
-5	26	3	11.5	—	—	3	11.5	—	—	—	—
-4	1	—	—	—	—	—	—	—	—	—	—
-3	1	—	—	—	—	—	—	—	—	—	—
-2	2	—	—	—	—	—	—	—	—	—	—
-1	<u>—</u>	<u>—</u>	—	<u>—</u>	—	<u>—</u>	—	<u>—</u>	<u>—</u>	<u>—</u>	—
Sub Total Support Level	121	22	18.2	4	3.3	8	6.6	—	—	10	8.3
TOTAL GG	296	57	19.3	8	2.7	25	8.4	—	—	24	8.1

SUMMARY BY PAY PLAN

FOREIGN SERVICE

CA	—	—	—	—	—	—	—	—	—	—	—
CM	39	1	2.6	1	2.6	—	—	—	—	—	—
FSO	3,475	158	4.5	101	2.9	38	1.1	1	—	18	0.5
FSR	2,226	210	9.4	157	7.1	36	1.6	1	—	16	0.7
FSRU	767	53	6.9	40	5.2	8	1.0	—	—	5	0.7
FSSO/FSS	<u>2,529</u>	<u>174</u>	6.9	<u>98</u>	3.9	<u>51</u>	2.0	<u>2</u>	0.1	<u>23</u>	0.9
TOTAL FOREIGN SERVICE	9,036	596	6.6	397	4.4	133	1.5	4	—	62	0.7

CIVIL SERVICE											
GS	3,411	1,414	41.5	1,339	39.3	37	1.1	11	0.3	27	0.8
GG	<u>296</u>	<u>57</u>	19.3	<u>8</u>	2.7	<u>25</u>	8.4	<u>—</u>	<u>—</u>	<u>24</u>	8.1
TOTAL CIVIL SERVICE	3,707	1,471	39.7	1,347	36.3	62	1.7	11	0.3	51	1.4
GRAND TOTAL	12,743	2,067	16.2	1,744	13.7	195	1.5	15	0.1	113	0.9

Tab C

Table Prepared in the Office of Equal Employment Opportunity<sup>8</sup>

Washington, February 1978

DEPARTMENT OF STATE  
MINORITY EMPLOYEES—BY SUB GROUP AND PAY PLAN  
AS OF 12/31/76 AND 12/31/77

PAY PLAN		TOTAL POP.	MINORITIES									
			TOTAL		BLACK		HISPANIC		AM. INDIAN		ORIENTAL	
			No.	%	No.	%	No.	%	No.	%	No.	%
FOREIGN SERVICE												
CA	12/31/76	1	—	—	—	—	—	—	—	—	—	—
	12/31/77	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
	Change	- 1	—	—	—	—	—	—	—	—	—	
CM	12/31/76	40	1	2.5	1	2.5	—	—	—	—	—	—
	12/31/77	<u>39</u>	<u>1</u>	2.6	<u>1</u>	2.6	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	
	Change	- 1	—	+ 0.1	—	+ 0.1	—	—	—	—	—	
FSO	12/31/76	3,420	149	4.4	94	2.7	36	1.1	1	—	18	0.5
	12/31/77	<u>3,514</u>	<u>159</u>	4.5	<u>102</u>	2.9	<u>38</u>	1.1	<u>1</u>	—	<u>18</u>	0.5
	Change	+ 94	+ 10	+ 0.1	+ 8	+ 0.2	+ 2	—	—	—	—	—
FSR	12/31/76	2,286	186	8.1	144	6.3	28	1.2	1	—	13	0.6
	12/31/77	<u>2,226</u>	<u>210</u>	9.4	<u>157</u>	7.1	<u>36</u>	1.6	<u>1</u>	—	<u>16</u>	0.7
	Change	- 60	+ 24	+ 1.3	+ 13	+ 0.8	+ 8	+ 0.4	—	—	+ 3	+ 0.1
FSRU	12/31/76	521	30	5.8	21	4.0	6	1.2	—	—	3	0.6
	12/31/77	<u>767</u>	<u>53</u>	6.9	<u>40</u>	5.2	<u>8</u>	1.0	<u>—</u>	—	<u>5</u>	0.7
	Change	+ 246	+ 23	+ 1.1	+ 19	+ 1.2	+ 2	- 0.2	—	—	+ 2	+ 0.1
FSS	12/31/76	2,671	181	6.8	98	3.7	55	2.1	2	0.1	26	1.0
	12/31/77	<u>2,529</u>	<u>174</u>	6.9	<u>98</u>	3.9	<u>51</u>	2.0	<u>2</u>	0.1	<u>23</u>	0.9
	Change	- 142	- 7	+ 0.1	—	+ 0.2	- 4	- 0.1	—	—	- 3	- 0.1
TOTAL FS	12/31/76	8,939	547	6.1	358	4.0	125	1.4	4	—	60	0.7
	12/31/77	<u>9,036</u>	<u>596</u>	6.6	<u>397</u>	4.4	<u>133</u>	1.5	<u>4</u>	—	<u>62</u>	0.7
	Change	+ 97	+ 49	+ 0.5	+ 39	+ 0.4	+ 8	+ 0.1	—	—	+ 2	—

<sup>8</sup> No classification marking.

CIVIL SERVICE

GS	12/31/76	3,240	1,286	39.7	1,233	38.1	28	0.9	6	0.2	19	0.6
	12/31/77	<u>3,411</u>	<u>1,414</u>	41.5	<u>1,339</u>	39.3	<u>37</u>	1.1	<u>11</u>	0.3	<u>27</u>	0.8
	Change	+ 171	+ 128	+ 1.8	+ 106	+ 1.2	+ 9	+0.2	+ 5	+0.1	+ 8	+0.2
GG	12/31/76	288	53	18.4	11	3.8	20	6.9	1	0.3	21	7.3
	12/31/77	<u>296</u>	<u>57</u>	19.3	<u>8</u>	2.7	<u>25</u>	8.4	<u>—</u>	<u>—</u>	<u>24</u>	8.1
	Change	+ 8	+ 4	+ 0.9	- 3	- 1.1	+ 5	+1.5	- 1	-0.3	+ 3	+0.8
TOTAL	12/31/76	3,528	1,339	38.0	1,244	35.3	48	1.4	7	0.2	40	1.1
CS	12/31/77	<u>3,707</u>	<u>1,471</u>	39.7	<u>1,347</u>	36.3	<u>62</u>	1.7	<u>11</u>	0.3	<u>51</u>	1.4
	Change	+ 179	+ 132	+ 1.7	+ 103	+ 1.0	+ 14	+0.3	+ 4	+0.1	+ 11	+0.3

TOTAL FOREIGN SERVICE AND CIVIL SERVICE

12/31/76	12,467	1,886	15.1	1,602	12.8	173	1.4	11	0.1	100	0.8
12/31/77	<u>12,743</u>	<u>2,067</u>	16.2	<u>1,744</u>	13.7	<u>195</u>	1.5	<u>15</u>	0.1	<u>113</u>	0.9
Change	+ 276	+ 181	+ 1.1	+ 142	+ 0.9	+ 22	+0.1	+ 4	—	+ 13	+0.1

Tab D

Table Prepared in the Office of Equal Employment Opportunity<sup>9</sup>

Washington, February 1978

DEPARTMENT OF STATE  
WORKFORCE GROWTH—MINORITIES  
1975–77

Total Workforce (GS and FS)					
	Total	Non-Minorities		Minorities	
12/31/75	12,247	10,373	(84.7%)	1,874	(15.3%)
During 1976	+ 220	+ 208		+ 12	
(Diff)	(+ 1.8%)	(+ 2.0%)		(+ 0.6%)	
12/31/76	12,467	10,581	(84.9%)	1,886	(15.1%)
During 1977	+ 276	+ 95		+ 181	
(Diff)	(+ 2.2%)	(+ 0.9%)		(+ 9.6%)	
12/31/77	12,743	10,676	(93.8%)	2,067	(16.2%)
(Diff 2 Years)	+ 496	+ 303		+ 193	
	(+ 4.1%)	(+ 2.9%)		(+ 10.3%)	
FSO (Incl. CM and CA)					
	Total	Non-Minorities		Minorities	
12/31/75	3,461	3,315	(95.8%)	146	( 4.2%)
During 1976	—	- 4		+ 4	
(Diff)	—	(- 0.1%)		(+ 2.7%)	
12/31/76	3,461	3,311	(95.7%)	150	( 4.3%)
During 1977	+ 53	+ 44		+ 9	
(Diff)	(+ 1.5%)	(+ 1.3%)		(+ 6.0%)	

<sup>9</sup> No classification marking. Source: PER/MGT/OS Quarterly Summary of Employment (excluded are non-career Chiefs of Mission, FS/GS Unclassified, Consular Agents, Resident Staff, Wage Board, WAE, and Contract).

12/31/77	3,514	3,355	(95.5%)	159	( 4.5%)
(Diff 2 Years)	+ 53	+ 40		+ 13	
	(+ 1.4%)	(+ 1.2%)		(+ 8.9%)	

*FSR*

	Total	Non-Minorities		Minorities	
12/31/75	2,246	2,037	(90.7%)	209	( 9.3%)
During 1976	+ 40	+ 63		–23	
(Diff)	(+ 1.8%)	(+ 3.1%)		(– 11.0%)	
12/31/76	2,286	2,100	(91.9%)	186	( 8.1%)
During 1977	– 60	– 84		+ 24	
(Diff)	(– 2.6%)	(– 4.0%)		(+ 12.9%)	
12/31/77	2,226	2,016	(90.6%)	210	( 9.4%)
(Diff 2 Years)	– 20	– 21		+ 1	
	(– 0.9%)	(– 1.0%)		(+ 0.5%)	

*FSRU*

	Total	Non-Minorities		Minorities	
12/31/75	316	301	(95.3%)	15	(4.7%)
During 1976	+ 205	+ 190		+ 15	
(Diff)	(+ 64.9%)	(+ 63.1%)		(+ 100.0%)	
12/31/76	521	491	(94.2%)	30	(5.8%)
During 1977	+ 246	+ 223		+ 23	
(Diff)	(+ 47.2%)	(+ 45.4%)		(+ 76.7%)	
12/31/77	767	714	(93.1%)	53	(6.9%)
(Diff 2 Years)	+ 451	+ 413		+ 38	
	(+ 142.7%)	(+ 137.2%)		(+ 253.3%)	

*FSR and FSRU*

	Total	Non-Minorities		Minorities	
12/31/75	2,562	2,338	(91.3%)	224	(8.7%)
During 1976	+ 245	+ 253		– 8	
(Diff)	(+ 9.6%)	(+ 10.8%)		(– 3.6%)	
12/31/76	2,807	2,591	(92.3%)	216	(7.7%)
During 1977	+ 186	+ 139		+ 47	
(Diff)	(+ 6.6%)	(+ 5.4%)		(+ 21.8%)	
12/31/77	2,993	2,730	(91.2%)	263	(8.8%)
(Diff 2 Years)	+ 431	+ 392		+ 39	
	(+ 16.8%)	(+ 16.8%)		(+ 17.4%)	

*FSSO/FSS*

	Total	Non-Minorities		Minorities	
12/31/75	2,735	2,558	(93.5%)	177	(6.5%)
During 1976	– 64	– 68		+ 4	
(Diff)	(– 2.3%)	(– 2.7%)		(+ 2.3%)	
12/31/76	2,671	2,490	(93.2%)	181	(6.8%)
During 1977	– 142	– 135		– 7	
(Diff)	(– 5.3%)	(– 5.4%)		(– 3.9%)	
12/31/77	2,529	2,355	(93.1%)	174	(6.9%)
(Diff 2 Years)	– 206	– 203		(– 3)	
	(– 7.5%)	(– 7.9%)		(– 1.7%)	

<i>All FS</i>					
	Total	Non-Minorities		Minorities	
12/31/75	8,758	8,211	(93.8%)	547	(6.2%)
During 1976	+ 181	+ 181		—	
(Diff)	(+ 2.1%)	(+ 2.2%)		—	
12/31/76	8,939	8,392	(93.9%)	547	(6.1%)
During 1977	+ 97	+ 48		+ 49	
(Diff)	(+ 1.1%)	(+ 0.6%)		(+ 9.0%)	
12/31/77	9,036	8,440	(93.4%)	596	(6.6%)
(Diff 2 Years)	+ 278	+ 229		+ 49	
	(+ 3.2%)	(+ 2.8%)		(+ 9.0%)	
<i>All GS (GS and GG)</i>					
	Total	Non-Minorities		Minorities	
12/31/75	3,489	2,162	(62.0%)	1,327	(38.0%)
During 1976	+ 39	+ 27		+ 12	
(Diff)	(+ 1.1%)	(+ 1.2%)		(+ 0.9%)	
12/31/76	3,528	2,189	(62.0%)	1,339	(38.0%)
During 1977	+ 179	+ 47		+ 132	
(Diff)	(+ 5.1%)	(+ 2.1%)		(+ 9.9%)	
12/31/77	3,707	2,236	(60.3%)	1,471	(39.7%)
(Diff 2 Years)	+ 218	+ 74		+ 144	
	(+ 6.2%)	(+ 3.4%)		(+ 10.9%)	



## Tab E

Table Prepared in the Office of Equal Employment Opportunity<sup>10</sup>

Washington, February 1978

DEPARTMENT OF STATE  
MINORITY EMPLOYEES—BY GRADES AND PAY PLANS  
NINE-YEAR STUDY

	11/30/69 <sup>11</sup>			12/31/77			9-Year
	Total	Total	Percent	Total	Total	Percent	Percent
	<u>Pop.</u>	<u>Minorities</u>		<u>Pop.</u>	<u>Minorities</u>		<u>Change</u>
COMBINED FOREIGN SERVICE AND CIVIL SERVICE							
<i>SENIOR LEVEL</i>							
CA	8	—	—	—	—	—	—
CM	63	—	—	39	1	2.6	+ 2.6
FSO/R/RU-1 & GS/GG-18/17	424	9	2.1	455	10	2.2	+ 0.1
-2 -16	<u>665</u>	<u>9</u>	1.4	<u>564</u>	<u>15</u>	2.7	+ 1.3
Sub Total Senior Level	1,160	18	1.6	1,058	26	2.5	+ 0.9
<i>MIDDLE LEVEL</i>							
FSO/R/RU-3, FSSO-1 & GS/GG-15/14	1,417	42	3.0	1,219	53	4.3	+ 1.3
-4 -2 -13	1,460	49	3.4	1,453	79	5.4	+ 2.0
-5 -3 -12	<u>1,246</u>	<u>54</u>	4.3	<u>1,418</u>	<u>156</u>	11.0	+ 6.7
Sub Total Middle Level	4,123	145	3.5	4,090	288	7.0	+ 3.5
<i>JUNIOR LEVEL</i>							
FSO/R/RU-6, FSSO-4, & GS/GG-11/10	1,259	100	7.9	1,609	228	14.2	+ 6.3
-7 -5 -9/8	1,489	222	14.9	1,869	364	19.5	+ 4.6
-8 -6/7 -7	<u>2,470</u>	<u>323</u>	13.1	<u>1,711</u>	<u>316</u>	18.5	+ 5.4
Sub Total Junior Level	5,218	645	12.4	5,189	908	17.5	+ 5.1

<sup>10</sup> No classification marking. Source: PER/MGT/OS Quarterly Summary of Employment (excluded are non-career Chiefs of Mission, FS/GS Unclassified, Consular Agents, Resident Staff, Wage Board, WAE, and Contract).

<sup>11</sup> 1969 is the earliest year for which reliable minority data are available at this time. [Footnote is in the original.]

*SUPPORT LEVEL*

FSS-8 & GS/GG-6	1,088	280	25.7	878	235	26.8	+ 1.1
-9 -5	624	252	40.4	592	253	42.7	+ 2.3
-10 -4/3/2/1	<u>601</u>	<u>327</u>	54.4	<u>640</u>	<u>300</u>	46.9	- 7.5
Sub Total Support Level	2,313	859	37.1	2,110	788	37.3	+ 0.2
GRAND TOTAL FS & GS	12,814	1,667	13.0	12,447	2,010	16.1	+ 3.1

*ALL FOREIGN SERVICE (FSO/R/RU AND FSSO/FSS)*

CA	8	—	—	—	—	—	—
CM	63	—	—	39	1	2.6	+ 2.6
FSO/R/RU-1	416	8	1.9	450	10	2.2	+ 0.3
-2	<u>647</u>	<u>9</u>	1.4	<u>543</u>	<u>15</u>	2.8	+ 1.4
Sub Total Senior Level	1,134	17	1.5	1,032	26	2.5	+ 1.0
-3/FSSO-1	1,114	36	3.2	1,018	38	3.7	+ 0.5
-4 -2	1,240	39	3.1	1,310	64	4.9	+ 1.8
-5 -3	<u>1,064</u>	<u>34</u>	3.2	<u>1,248</u>	<u>115</u>	9.2	+ 6.0
Sub Total Middle Level	3,418	109	3.2	3,576	217	6.1	+ 2.9
-6 -4	991	50	5.0	1,287	118	9.2	+ 4.2
-7 -5	948	66	7.0	1,255	107	8.5	+ 1.5
-8 -6	1,212	98	8.1	775	54	7.0	- 1.1
-7	<u>848</u>	<u>71</u>	8.4	<u>464</u>	<u>33</u>	7.1	- 1.3
Sub Total Junior Level	3,999	285	7.1	3,781	312	8.3	+ 1.2
FSS-8	787	95	12.1	506	33	6.5	- 5.6
-9	225	31	13.8	100	7	7.0	- 6.8
-10	<u>104</u>	<u>14</u>	13.5	<u>41</u>	<u>1</u>	2.4	-11.1
Sub Total Support Level	1,116	140	12.5	647	41	6.3	- 6.2
TOTAL FS	9,667	551	5.7	9,036	596	6.6	+ 0.9

*FOREIGN SERVICE OFFICER (FSO)*

CA	8	—	—	—	—	—	—
CM	63	—	—	39	1	2.6	+ 2.6
FSO-1	299	5	1.7	341	8	2.3	+ 0.6
-2	<u>416</u>	<u>5</u>	1.2	<u>310</u>	<u>9</u>	2.9	+ 1.7
Sub Total Senior Level	786	10	1.3	690	18	2.6	+ 1.3
-3	656	18	2.7	655	16	2.4	- 0.3
-4	635	13	2.0	803	31	3.9	+ 1.9
-5	<u>536</u>	<u>6</u>	1.1	<u>590</u>	<u>68</u>	11.5	+10.4
Sub Total Middle Level	1,827	37	2.0	2,048	115	5.6	+ 3.6
-6	441	11	2.5	397	24	6.0	+ 3.5
-7	189	6	3.2	318	2	0.6	- 2.6
-8	<u>35</u>	<u>3</u>	8.6	<u>61</u>	<u>—</u>	—	- 8.6
Sub Total Junior Level	665	20	3.0	776	26	3.4	+ 0.4
TOTAL FSO	3,278	67	2.0	3,514	159	4.5	+ 2.5

<i>FOREIGN SERVICE RESERVE (FSR)</i>							
FSR-1	117	3	2.6	60	1	1.7	- 0.9
-2	<u>231</u>	<u>4</u>	1.7	<u>126</u>	<u>5</u>	4.0	+ 2.3
Sub Total Senior Level	348	7	2.0	186	6	3.2	+ 1.2
-3	325	15	4.6	198	15	7.6	+ 3.0
-4	320	16	5.0	285	16	5.6	+ 0.6
-5	<u>189</u>	<u>13</u>	6.9	<u>378</u>	<u>28</u>	7.4	+ 0.5
Sub Total Middle Level	834	44	5.3	861	59	6.9	+ 1.6
-6	154	14	9.1	462	55	11.9	+ 2.8
-7	98	30	30.6	534	71	13.3	-17.3
-8	<u>37</u>	<u>17</u>	45.9	<u>183</u>	<u>19</u>	10.4	-35.5
Sub Total Junior Level	289	61	21.1	1,179	145	12.3	- 8.8
TOTAL FSR	1,471	112	7.6	2,226	210	9.4	+ 1.8

<i>FOREIGN SERVICE RESERVE UNLIMITED (FSRU)</i>							
FSRU-1				49	1	2.0	+ 2.0
-2				<u>107</u>	<u>1</u>	0.9	+ 0.9
Sub Total Senior Level				156	2	1.3	+ 1.3
-3				108	5	4.6	+ 4.6
-4				124	13	10.5	+10.5
-5				<u>109</u>	<u>6</u>	5.5	+ 5.5
Sub Total Middle Level	(INTRODUCED 1971)			341	24	7.0	+ 7.0
-6				166	14	8.4	+ 8.4
-7				95	12	12.6	+12.6
-8				<u>9</u>	<u>1</u>	11.1	+11.1
Sub Total Junior Level				270	27	10.0	+10.0
TOTAL FSRU				767	53	6.9	+ 6.9

<i>FOREIGN SERVICE STAFF (FSSO/FSS)</i>							
FSSO-1	133	3	2.3	57	2	3.5	+ 1.2
-2	285	10	3.5	98	4	4.1	+ 0.6
-3	<u>339</u>	<u>15</u>	4.4	<u>171</u>	<u>13</u>	7.6	+ 3.2
Sub Total Middle Level	757	28	3.7	326	19	5.8	+ 2.1
-4	396	25	6.3	262	25	9.5	+ 3.2
-5	661	30	4.5	308	22	7.1	+ 2.6
-6	1,140	78	0.7	522	34	6.5	+ 5.8
-7	<u>848</u>	<u>71</u>	8.4	<u>464</u>	<u>33</u>	7.1	- 1.3
Sub Total Junior Level	3,045	204	6.7	1,556	114	7.3	+ 0.6
FSS-8	787	95	12.1	506	33	6.5	- 5.6
-9	225	31	13.8	100	7	7.0	- 6.8
-10	<u>104</u>	<u>14</u>	13.5	<u>41</u>	<u>1</u>	2.4	-11.1
Sub Total Support Level	1,116	140	12.5	647	41	6.3	- 6.2
TOTAL FSSO/FSS	4,918	372	7.6	2,529	174	6.9	- 0.7

<i>CIVIL SERVICE (GS)<sup>12</sup></i>							
GS-18	1	—	—	2	—	—	—
-17	7	1	14.3	3	—	—	-14.3
-16	<u>18</u>	<u>—</u>	<u>—</u>	<u>21</u>	<u>—</u>	<u>—</u>	<u>—</u>
Sub Total Senior Level	26	1	3.8	26	—	—	- 3.8
-15	161	5	3.1	112	11	9.8	+ 6.7
-14	142	1	0.7	89	4	4.5	+ 3.8
-13	220	10	4.6	143	15	10.5	+ 5.9
-12	<u>182</u>	<u>20</u>	<u>11.0</u>	<u>170</u>	<u>41</u>	<u>24.1</u>	<u>+13.1</u>
Sub Total Middle Level	705	36	5.1	514	71	13.8	+ 8.7
-11	235	47	20.0	268	96	35.8	+15.8
-10	33	3	9.1	54	14	25.9	+16.8
-9	337	91	27.0	377	147	39.0	+12.0
-8	204	65	31.7	237	110	46.4	+14.7
-7	<u>410</u>	<u>154</u>	<u>37.6</u>	<u>472</u>	<u>229</u>	<u>48.5</u>	<u>+10.9</u>
Sub Total Junior Level	1,219	360	29.5	1,408	596	42.3	+12.8
-6	301	185	61.5	372	202	54.3	- 7.2
-5	399	221	55.4	492	246	50.0	- 5.4
-4	293	173	59.0	316	126	39.9	-19.1
-3	118	69	58.5	175	100	57.1	- 1.4
-2	81	69	85.2	92	63	68.5	-16.7
-1	<u>5</u>	<u>2</u>	<u>40.0</u>	<u>16</u>	<u>10</u>	<u>62.5</u>	<u>+22.5</u>
Sub Total Support Level	1,197	719	60.1	1,463	747	51.1	- 9.0
TOTAL GS	3,147	1,116	35.5	3,411	1,414	41.5	+ 6.0
<i>SUMMARY BY PAY PLAN</i>							
<i>FOREIGN SERVICE</i>							
CA	8	—	—	—	—	—	—
CM	63	—	—	39	1	2.6	+ 2.6
FSO	3,207	67	2.1	3,475	158	4.5	+ 2.4
FSR	1,471	112	7.6	2,226	210	9.4	+ 1.8
FSRU	—	—	—	767	53	6.9	+ 6.9
FSSO/FSS	<u>4,918</u>	<u>372</u>	<u>7.6</u>	<u>2,529</u>	<u>174</u>	<u>6.9</u>	<u>- 0.7</u>
TOTAL FOREIGN SERVICE	9,667	551	5.7	9,036	596	6.6	+ 0.9
<i>CIVIL SERVICE</i>							
GS (GG not available)	<u>3,147</u>	<u>1,116</u>	<u>35.5</u>	<u>3,411</u>	<u>1,414</u>	<u>41.5</u>	<u>+ 6.0</u>
GRAND TOTAL	12,814	1,667	13.0	12,447	2,010	16.1	+ 3.1

<sup>12</sup> NOTE: Civil Service GG not included in this report due to lack of minority statistics in 1969. [Footnote is in the original.]

## Tab F

Table Prepared in the Office of Equal Employment Opportunity<sup>13</sup>

Washington, February 1978

DEPARTMENT OF STATE  
MINORITY FSO'S BY GRADE/LEVEL: 9-YEAR STUDY  
(PERCENT OF TOTAL EMPLOYMENT)

Grade	11/69 <sup>14</sup>	11/70	11/71	11/72	11/73	11/74	12/75	12/76	12/77	9-Year Diff
<i>Senior Level</i>										
CA	—	—	—	—	—	—	—	—	—	—
CM	—	—	1.9	2.0	2.3	4.3	2.2	2.5	2.6	+ 2.6
FSO-1	1.7	2.1	2.2	1.4	1.1	2.2	2.2	1.9	2.3	+ 0.6
-2	1.2	1.2	1.8	2.2	3.0	2.6	3.0	3.3	2.9	+ 1.7
Total	1.3	1.5	1.9	1.9	2.2	2.6	2.6	2.6	2.6	+ 1.3
<i>Middle Level</i>										
FSO-3	2.7	3.1	3.0	2.9	2.9	3.4	2.7	2.8	2.4	- 0.3
-4	2.1	2.1	2.3	2.7	2.9	2.9	3.4	3.2	3.9	+ 1.8
-5	1.1	1.5	1.9	3.0	5.6	8.2	9.1	10.8	11.5	+ 10.4
Total	2.0	2.2	2.4	2.9	3.8	4.8	5.0	5.3	5.6	+ 3.6
<i>Junior Level</i>										
FSO-6	2.5	3.2	3.2	7.7	6.7	6.4	4.6	5.9	6.0	+ 3.5
-7	3.2	3.1	4.4	4.5	2.8	2.3	2.3	0.4	0.6	- 2.6
-8	9.4	6.5	12.9	6.3	—	—	1.1	—	—	- 9.4
Total	3.0	3.3	4.2	6.8	5.0	4.1	3.2	3.0	3.4	+ 0.4
TOTAL	2.0	2.3	2.6	3.4	3.7	4.2	4.2	4.3	4.5	+ 2.5

<sup>13</sup> No classification marking. Source: PER Summary of Employment (excluding non-Career Chiefs of Mission). Additional tables for Tab F are attached but not printed: Workforce Growth—Minorities, Minority FSOs by Primary Skill, and FSO Promotions.

<sup>14</sup> Earliest year for which reliable minority data available. [Footnote is in the original.]

**208. Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs) to the Deputy Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, March 22, 1978

SUBJECT

Status of Minority Women

REFERENCE

My Memos of February 24, 1978 (Status of Women) and March 8, 1978 (Status of Minorities)<sup>2</sup>

Minority women have become the object of special focus in recent years because many minority women perceive themselves as victims of double discrimination. It is generally conceded that while non-minority women have made some progress toward equality in our society, minority women have not kept pace. The Civil Service Commission (CSC) has therefore asked federal agencies to evaluate their employment profiles in terms of minority women—implying, of course, that affirmative action be taken to remedy shortcomings.

We have developed two statistical studies:

Tab A—*Women Employees By Minority and Non-Minority Categories*

Tab B—*Minority Employees By Sex*

Minority women (1,245) constitute 9.8% of our total workforce (12,743) as of December 31, 1977 (up 151 or 0.9% from December 31, 1975—the first such study ever done at State to the best of our knowledge).

According to Department of Labor statistics, minority women constitute about 7% of the national workforce. That figure would be higher if unemployment among minorities were not as high as it is but, in any event, our overall figure of 9.8% seems superficially good.

By pay plan, however, once again we have startling disparity. Minority women in the FSO Corps are 0.7% of total FSO's (up 0.2% in two years), 2.8% of FSR's (down 0.2%), 1.4% of FSRU's (up 0.9%), 3.8% of FSS/FSSO's (up 0.5%), and 2.2% (up 0.2%) of all FS (or a mere 195 of 9,036). In absolutes, minority women in all FS pay plans grew by 19 since 1975.

<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 8, Chron March 1978. No classification marking. Copies were sent to Barnes and Clark.

<sup>2</sup> See Documents 206 and 207.

On the other hand, minority women in the GS/GG plans grew by 132 in the same period. They now constitute 29.9% of GS (up 2.0% in two years), 10.2% of GG (up 0.7%) and 28.3% (up 2.0%) of combined GS/GG (or 1,050 of 3,707).

Obviously minority women are severely underrepresented in the Foreign Service, a pay plan that should reflect our country's diversity around the world, and it could be argued that minority women are overrepresented in the less prestigious domestic pay plans.

The news gets worse as we focus on levels. Not a single minority woman above GS-13 (no change in two years). Only one above GG-10 (no change). 56.9% of GS/GG minority women (597 of 1,050) are at GS/GG-6 and below—vs. 44.8% for our non-minority women, 40.9% for minority men, and 19.5% for non-minority men. Two years ago 54.5% of our minority women (500 of 918) were at GS/GG-6 and below, which means retrogression of 2.4% as of December 31, 1977. We have been accused of maintaining ante-bellum plantations; these statistics make it difficult to argue that point.

On the Foreign Service side, we have only one minority woman (FSR-2) at the senior level (0.1% of the total workforce at that level—no change in two years). The middle level shows an increase of 0.1% (up from 1.1% to 1.2%), the junior level grew by 0.2% (from 3.3% to 3.5%), and the support level grew by 0.8% (from 2.7% to 3.5%). In contrast to GS/GG, Foreign Service minority women at the support level are 11.8% of their total—vs. 20.6% for non-minority women, 4.5% for minority men, and 2.3% for non-minority men. Two years ago, 9.1% of FS minority women were at the support level (up 2.7% as of December 31, 1977).

### *Conclusion*

This last report is probably the most dismal of the three EEO profiles submitted to you. I recognize that we, as an institution, can't be all things to all people, yet minority women may indeed be justified in feeling double jeopardy. Once again well-calculated recruitment and upward mobility programs are sorely needed.

## Tab A

Table Prepared in the Office of Equal Employment Opportunity<sup>3</sup>

Washington, March 1978

DEPARTMENT OF STATE  
WOMEN EMPLOYEES—BY NON-MINORITY/MINORITY  
CATEGORIES  
AS OF 12/31/77

	Total Pop.	WOMEN					
		Total		Non-Minority		Minority	
		No.	Percent	No.	Percent	No.	Percent
COMBINED FOREIGN SERVICE AND CIVIL SERVICE							
SENIOR LEVEL							
CA	—	—	—	—	—	—	—
CM	39	—	—	—	—	—	—
FSO/R/RU-1, & GS/GG-18/17	456	12	2.6	12	2.6	—	—
-2 -16	565	23	4.1	22	3.9	1	0.2
Sub Total	1,060	35	3.3	34	3.2	1	0.1
MIDDLE LEVEL							
FSO/R/RU-3, FSSO-1, & GS/GG-15/14	1,237	123	9.9	117	9.4	6	0.5
-4 -2 -13	1,468	198	13.5	186	12.7	12	0.8
-5 -3 -12	1,429	326	22.8	271	19.0	55	3.8
Sub Total	4,134	647	15.7	574	13.9	73	1.8
JUNIOR LEVEL							
FSO/R/RU-6, FSSO-4, & GS/GG-11/10	1,635	538	32.9	441	27.0	97	5.9
-7 -5 -9/8	1,932	885	45.8	652	33.7	233	12.1
-8 -6/7 -7	1,751	985	56.3	764	43.7	221	12.6
Sub Total	5,318	2,408	45.3	1,857	34.9	551	10.4
SUPPORT LEVEL							
FSS-8 & GS/GG-6	969	728	75.1	544	56.1	184	19.0
-9 -5	618	479	77.5	282	45.6	197	31.9
-10 -4/3/2/1	644	509	79.0	270	41.9	239	37.1
Sub Total	2,231	1,716	76.9	1,096	49.1	620	27.8
GRAND TOTAL	12,743	4,806	37.7	3,561	27.9	1,245	9.8
FS & GS							

<sup>3</sup> No classification marking. Source: PER/MGT Quarterly Summary of Employment (Excluded are non-career Chiefs of Mission, FS/GS Unclassified, Consular Agents, Resident Staff, Wage Board, WAE, and Contract).



<i>ALL FOREIGN SERVICE (FSO/R/RU AND FSSO/FSS)</i>							
CA	—	—	—	—	—	—	—
CM	39	—	—	—	—	—	—
FSO/R/RU-1	450	11	2.4	11	2.4	—	—
–2	<u>543</u>	<u>20</u>	3.7	<u>19</u>	3.5	<u>1</u>	0.2
Sub Total Senior Level	1,032	31	3.0	30	2.9	1	0.1
–3/FSSO–1	1,018	89	8.7	84	8.2	5	0.5
–4 –2	1,310	144	11.0	138	10.5	6	0.5
–5 –3	<u>1,248</u>	<u>236</u>	18.9	<u>205</u>	16.4	<u>31</u>	2.5
Sub Total Middle Level	3,576	469	13.1	427	11.9	42	1.2
–6 –4	1,287	342	26.6	300	23.3	42	3.3
–7 –5	1,255	384	30.6	342	27.3	42	3.3
–8 –6	775	344	44.4	314	40.5	30	3.9
–9	<u>464</u>	<u>238</u>	51.3	<u>223</u>	48.1	<u>15</u>	3.2
Sub Total Junior Level	3,781	1,308	34.6	1,179	31.2	129	3.4
FSS–8	506	353	69.8	335	66.2	18	3.6
–9	100	57	57.0	53	53.0	4	4.0
–10	<u>41</u>	<u>37</u>	90.2	<u>36</u>	87.8	<u>1</u>	2.4
Sub Total Support Level	647	447	69.1	424	65.5	23	3.6
TOTAL FS	9,036	2,255	25.0	2,060	22.8	195	2.2
<i>FOREIGN SERVICE OFFICERS (FSO)</i>							
CA	—	—	—	—	—	—	—
CM	39	—	—	—	—	—	—
FSO–1	341	8	2.3	8	2.3	—	—
–2	<u>310</u>	<u>8</u>	2.6	<u>8</u>	2.6	<u>—</u>	—
Sub Total Senior Level	690	16	2.3	16	2.3	—	—
–3	655	39	6.0	37	5.7	2	0.3
–4	803	51	6.4	49	6.1	2	0.3
–5	<u>590</u>	<u>85</u>	14.4	<u>70</u>	11.9	<u>15</u>	2.5
Sub Total Middle Level	2,048	175	8.5	156	7.6	19	0.9
–6	397	75	18.9	69	17.4	6	1.5
–7	318	57	17.9	56	17.6	1	0.3
–8	<u>61</u>	<u>14</u>	23.0	<u>14</u>	23.0	<u>—</u>	—
Sub Total Junior Level	776	146	18.8	139	17.9	7	0.9
TOTAL FSO	3,514	337	9.6	311	8.9	26	0.7
<i>FOREIGN SERVICE RESERVE OFFICERS (FSR)</i>							
FSR–1	60	3	5.0	3	5.0	—	—
–2	<u>126</u>	<u>6</u>	4.8	<u>5</u>	4.0	<u>1</u>	0.8
Sub Total Senior Level	186	9	4.8	8	4.3	1	0.5
–3	198	19	9.6	18	9.1	1	0.5
–4	285	51	17.9	49	17.2	2	0.7
–5	<u>378</u>	<u>64</u>	16.9	<u>54</u>	14.3	<u>10</u>	2.6
Sub Total Middle Level	861	134	15.6	121	14.1	13	1.5

-6	462	105	22.7	85	18.4	20	4.3
-7	534	110	20.6	87	16.3	23	4.3
-8	<u>183</u>	<u>20</u>	10.9	<u>14</u>	7.6	<u>6</u>	3.3
Sub Total Junior Level	1,179	235	19.9	186	15.8	49	4.1
TOTAL FSR	2,226	378	17.0	315	14.2	63	2.6
<i>FOREIGN SERVICE RESERVE UNLIMITED (FSRU)</i>							
FSRU-1	49	—	—	—	—	—	—
-2	<u>107</u>	<u>6</u>	5.6	<u>6</u>	5.6	<u>—</u>	—
Sub Total Senior Level	156	6	3.8	6	3.8	—	—
-3	108	21	19.4	19	17.6	2	1.8
-4	124	16	12.9	15	12.1	1	0.8
-5	<u>109</u>	<u>38</u>	34.9	<u>36</u>	33.1	<u>2</u>	1.8
Sub Total Middle Level	341	75	22.0	70	20.5	5	1.5
-6	166	31	18.7	26	15.7	5	3.0
-7	95	11	11.6	10	10.5	1	1.1
-8	<u>9</u>	<u>1</u>	11.1	<u>1</u>	11.1	<u>—</u>	—
Sub Total Junior Level	270	43	15.9	37	13.7	6	2.2
TOTAL FSRU	767	124	16.2	113	14.8	11	1.4
<i>FOREIGN SERVICE STAFF (FSSO/FSS)</i>							
FSSO-1	57	10	17.5	10	17.5	—	—
-2	98	26	26.5	25	25.5	1	1.0
-3	<u>171</u>	<u>49</u>	28.7	<u>45</u>	26.4	<u>4</u>	2.3
Sub Total Middle Level	326	85	26.1	80	24.6	5	1.5
-4	262	131	50.0	120	45.8	11	4.2
-5	308	206	66.9	189	61.4	17	5.5
-6	522	309	59.2	285	54.6	24	4.6
-7	<u>464</u>	<u>238</u>	51.3	<u>223</u>	48.1	<u>15</u>	3.2
Sub Total Junior Level	1,556	884	56.8	817	52.5	67	4.3
FSS-8	506	353	69.8	335	66.2	18	3.6
-9	100	57	57.0	53	53.0	4	4.0
-10	<u>41</u>	<u>37</u>	90.2	<u>36</u>	87.8	<u>1</u>	2.4
Sub Total Support Level	647	447	69.1	424	65.5	23	3.6
TOTAL FSSO/FSS	2,529	1,416	56.0	1,321	52.2	95	3.8
<i>ALL CIVIL SERVICE (GS/GG)</i>							
GS/GG-18	2	—	—	—	—	—	—
-17	4	1	25.0	1	25.0	—	—
-16	<u>22</u>	<u>3</u>	13.6	<u>3</u>	13.6	<u>—</u>	—
Sub Total Senior Level	28	4	14.3	4	14.3	—	—
-15	121	19	15.7	18	14.9	1	0.8
-14	98	15	15.3	15	15.3	—	—
-13	158	54	34.2	48	30.4	6	3.8
-12	<u>181</u>	<u>90</u>	49.7	<u>66</u>	36.5	<u>24</u>	13.2
Sub Total Middle Level	558	178	31.9	147	26.3	31	5.6

-11	281	146	52.0	100	35.6	46	16.4
-10	67	50	74.6	41	61.2	9	13.4
-9	407	280	68.8	183	45.0	97	23.8
-8	270	221	81.9	127	47.1	94	34.8
-7	<u>512</u>	<u>403</u>	78.7	<u>227</u>	44.3	<u>176</u>	34.4
Sub Total Junior Level	1,537	1,100	71.6	678	44.1	422	27.5
-6	463	375	81.0	209	45.1	166	35.9
-5	518	422	81.5	229	44.2	193	37.3
-4	317	258	81.4	148	46.7	110	34.7
-3	176	134	76.1	59	33.5	75	42.6
-2	94	67	71.3	21	22.3	46	49.0
-1	<u>16</u>	<u>13</u>	81.3	<u>6</u>	37.5	<u>7</u>	43.8
Sub Total Support Level	1,584	1,269	80.1	672	42.4	597	37.7
TOTAL CS	3,707	2,551	68.8	1,501	40.5	1,050	28.3

*CIVIL SERVICE (GS)*

GS-18	2	—	—	—	—	—	—
-17	3	—	—	—	—	—	—
-16	<u>21</u>	<u>3</u>	14.3	<u>3</u>	14.3	—	—
Sub Total Senior Level	26	3	11.5	3	11.5	—	—
-15	112	17	15.2	17	15.2	—	—
-14	89	15	16.9	15	16.9	—	—
-13	143	48	33.6	42	29.4	6	4.2
-12	<u>170</u>	<u>85</u>	50.0	<u>61</u>	35.9	<u>24</u>	14.1
Sub Total Middle Level	514	165	32.1	135	26.3	30	5.8
-11	268	139	51.9	93	34.7	46	17.2
-10	54	44	81.5	36	66.7	8	14.8
-9	377	264	70.0	171	45.3	93	24.7
-8	237	201	84.8	113	47.7	88	37.1
-7	<u>472</u>	<u>370</u>	78.4	<u>197</u>	41.7	<u>173</u>	36.7
Sub Total Junior Level	1,408	1,018	72.3	610	43.3	408	29.0
-6	372	308	82.8	154	41.4	154	41.4
-5	492	403	81.9	213	43.3	190	38.6
-4	316	258	81.6	148	46.8	110	34.8
-3	175	134	76.6	59	33.7	75	42.9
-2	92	67	72.8	21	22.8	46	50.0
-1	<u>16</u>	<u>13</u>	81.3	<u>6</u>	37.5	<u>7</u>	43.8
Sub Total Support Level	1,463	1,183	80.9	601	41.1	582	39.8
TOTAL GS	3,411	2,369	69.5	1,349	39.6	1,020	29.9

*CIVIL SERVICE (GG)*

GG-18	—	—	—	—	—	—	—
-17	1	1	100.0	1	100.0	—	—
-16	<u>1</u>	—	—	—	—	—	—
Sub Total Senior Level	2	1	50.0	1	50.0	—	—

-15	9	2	22.2	1	11.1	1	11.1
-14	9	—	—	—	—	—	—
-13	15	6	40.0	6	40.0	—	—
-12	11	5	45.5	5	45.5	—	—
Sub Total Middle Level	44	13	29.5	12	27.3	1	2.2
-11	13	7	53.8	7	53.8	—	—
-10	13	6	46.2	5	38.5	1	7.7
-9	30	16	53.3	12	40.0	4	13.3
-8	33	20	60.6	14	42.4	6	18.2
-7	40	33	82.5	30	75.0	3	7.5
Sub Total Junior Level	129	82	63.6	68	52.7	14	10.9
-6	91	67	73.6	55	60.4	12	13.2
-5	26	19	73.1	16	61.6	3	11.5
-4	1	—	—	—	—	—	—
-3	1	—	—	—	—	—	—
-2	2	—	—	—	—	—	—
-1	—	—	—	—	—	—	—
Sub Total Support Level	121	86	71.1	71	58.7	15	12.4
TOTAL GG	296	182	61.5	152	51.4	30	10.1
SUMMARY BY PAY PLAN							
FOREIGN SERVICE							
CA	—	—	—	—	—	—	—
CM	39	—	—	—	—	—	—
FSO	3,475	337	9.7	311	8.9	26	0.8
FSR	2,226	378	17.0	315	14.2	63	2.8
FSRU	767	124	16.2	113	14.8	11	1.4
FSSO/FSS	2,529	1,416	56.0	1,321	52.2	95	3.8
TOTAL FOREIGN SERVICE	9,036	2,255	25.0	2,060	22.8	195	2.2
CIVIL SERVICE							
GS	3,411	2,369	69.5	1,349	39.6	1,020	29.9
GG	296	182	61.5	152	51.4	30	10.1
TOTAL CIVIL SERVICE	3,707	2,551	68.8	1,501	40.5	1,050	28.3
GRAND TOTAL	12,743	4,806	37.7	3,561	27.9	1,245	9.8

## Tab B

Table Prepared in the Office of Equal Employment Opportunity<sup>4</sup>

Washington, March 1978

DEPARTMENT OF STATE  
MINORITY EMPLOYEES—BY SEX  
AS OF 12/31/77

	Total Pop.	Minorities					
		Total		Men		Women	
		No.	Percent	No.	Percent	No.	Percent
<i>SENIOR LEVEL</i>							
CA	—	—	—	—	—	—	—
CM	39	1	2.6	1	2.6	—	—
FSO/R/RU-1 & GS/GG-18/17	456	10	2.2	10	2.2	—	—
-2 -16	<u>565</u>	<u>16</u>	2.8	<u>15</u>	2.6	<u>1</u>	0.2
Sub Total Senior Level	1,060	27	2.5	26	2.4	1	0.1
<i>MIDDLE LEVEL</i>							
FSO/R/RU-3, FSSO-1, & GS/GG-15/14	1,237	54	4.4	48	3.9	6	0.5
-4 -2 -13	1,468	79	5.4	67	4.6	12	0.8
-5 -3 -12	<u>1,429</u>	<u>156</u>	10.9	<u>101</u>	7.1	<u>55</u>	3.8
Sub Total Middle Level	4,134	289	7.0	216	5.2	73	1.8
<i>JUNIOR LEVEL</i>							
FSO/R/RU-6, FSSO-4, & GS/GG-11/10	1,635	234	14.3	137	8.4	97	5.9
-7 -5 -9/8	1,932	386	20.0	153	7.9	233	12.1
-8 -6 -7	<u>1,751</u>	<u>321</u>	18.3	<u>100</u>	5.7	<u>221</u>	12.6
Sub Total Junior Level	5,318	941	17.7	390	7.3	551	10.4
<i>SUPPORT LEVEL</i>							
FSS-8 & GS/GG-6	969	254	26.2	70	7.2	184	19.0
-9 -5	618	256	41.4	59	9.5	197	31.9
-10 -4/3/2/1	<u>644</u>	<u>300</u>	46.6	<u>61</u>	9.5	<u>239</u>	37.1
Sub Total Support Level	2,231	810	36.3	190	8.5	620	27.8
GRAND TOTAL FS & GS	12,743	2,067	16.2	822	6.4	1,245	9.8

<sup>4</sup> No classification marking. Source: PER/MGT Quarterly Summary of Employment (Excluded are non-career Chiefs of Mission, FS/GS Unclassified, Consular Agents, Resident Staff, Wage Board, WAE, and Contract).

<i>ALL FOREIGN SERVICE (FSO/R/RU AND FSSO/FSS)</i>							
CA	—	—	—	—	—	—	—
CM	39	1	2.6	1	2.6	—	—
FSO/R/RU-1	450	10	2.2	10	2.2	—	—
-2	<u>543</u>	<u>15</u>	2.8	<u>14</u>	2.6	<u>1</u>	0.2
Sub Total Senior Level	1,032	26	2.5	25	2.4	1	0.1
-3/FSSO-1	1,018	38	3.7	33	3.2	5	0.5
-4    -2	1,310	64	4.9	58	4.4	6	0.5
-5    -3	<u>1,248</u>	<u>115</u>	9.2	<u>84</u>	6.7	<u>31</u>	2.5
Sub Total Middle Level	3,576	217	6.1	175	4.9	42	1.2
-6    -4	1,287	118	9.2	76	5.9	42	3.3
-7    -5	1,255	107	8.5	65	5.2	42	3.3
-8    -6	775	54	7.0	24	3.1	30	3.9
-7    -7	<u>464</u>	<u>33</u>	7.1	<u>18</u>	3.9	<u>15</u>	3.2
Sub Total Junior Level	3,781	312	8.3	183	4.8	129	3.5
FSS-8	506	33	6.5	15	2.9	18	3.6
-9	100	7	7.0	3	3.0	4	4.0
-10	<u>41</u>	<u>1</u>	2.4	—	—	<u>1</u>	2.4
Sub Total Support Level	647	41	6.3	18	2.8	23	3.5
TOTAL FS	9,036	596	6.6	401	4.4	195	2.2

<i>FOREIGN SERVICE OFFICERS (FSO)</i>							
CA	—	—	—	—	—	—	—
CM	39	1	2.6	1	2.6	—	—
FSO-1	341	8	2.3	8	2.3	—	—
-2	<u>310</u>	<u>9</u>	2.9	<u>9</u>	2.9	—	—
Sub Total Senior Level	690	18	2.6	18	2.6	—	—
-3	655	16	2.4	14	2.1	2	0.3
-4	803	31	3.9	29	3.6	2	0.3
-5	<u>590</u>	<u>68</u>	11.5	<u>53</u>	9.0	<u>15</u>	2.5
Sub Total Middle Level	2,048	115	5.6	96	4.7	19	0.9
-6	397	24	6.0	18	4.5	6	1.5
-7	318	2	0.6	1	0.3	1	0.3
-8	<u>61</u>	—	—	—	—	—	—
Sub Total Junior Level	776	26	3.4	19	2.4	7	1.0
TOTAL FSO	3,514	159	4.5	133	3.8	26	0.7

<i>FOREIGN SERVICE RESERVE OFFICERS (FSR)</i>							
FSR-1	60	1	1.7	1	1.7	—	—
-2	<u>126</u>	<u>5</u>	4.0	<u>4</u>	3.2	<u>1</u>	0.8
Sub Total Senior Level	186	6	3.2	5	2.7	1	0.5
-3	198	15	7.6	14	7.1	1	0.5
-4	285	16	5.6	14	4.9	2	0.7
-5	<u>378</u>	<u>28</u>	7.4	<u>18</u>	4.8	<u>10</u>	2.6
Sub Total Middle Level	861	59	6.9	46	5.3	13	1.6

-6	462	55	11.9	35	7.6	20	4.3
-7	534	71	13.3	48	9.0	23	4.3
-8	<u>183</u>	<u>19</u>	10.4	<u>13</u>	7.1	<u>6</u>	3.3
Sub Total Junior Level	1,179	145	12.3	96	8.1	49	4.2
TOTAL FSR	2,226	210	9.4	147	6.6	63	2.8
<i>FOREIGN SERVICE RESERVE UNLIMITED (FSRU)</i>							
FSRU-1	49	1	2.0	1	2.0	—	—
-2	<u>107</u>	<u>1</u>	0.9	<u>1</u>	0.9	—	—
Sub Total Senior Level	156	2	1.3	2	1.3	—	—
-3	108	5	4.6	3	2.8	2	1.8
-4	124	13	10.5	12	9.7	1	0.8
-5	<u>109</u>	<u>6</u>	5.5	<u>4</u>	3.7	<u>2</u>	1.8
Sub Total Middle Level	341	24	7.0	19	5.5	5	1.5
-6	166	14	8.4	9	5.4	5	3.0
-7	95	12	12.6	11	11.6	1	1.0
-8	<u>9</u>	<u>1</u>	11.1	<u>1</u>	11.1	—	—
Sub Total Junior Level	270	27	10.0	21	7.8	6	2.2
TOTAL FSRU	767	53	6.9	42	5.5	11	1.4
<i>FOREIGN SERVICE STAFF (FSSO/FSS)</i>							
FSSO-1	57	2	3.5	2	3.5	—	—
-2	98	4	4.1	3	3.1	1	1.0
-3	<u>171</u>	<u>13</u>	7.6	<u>9</u>	5.3	<u>4</u>	2.3
Sub Total Middle Level	326	19	5.8	14	4.3	5	1.5
-4	262	25	9.5	14	5.3	11	4.2
-5	308	22	7.1	5	1.6	17	5.5
-6	522	34	6.5	10	1.9	24	4.6
-7	<u>464</u>	<u>33</u>	7.1	<u>18</u>	3.9	<u>15</u>	3.2
Sub Total Junior Level	1,556	114	7.3	47	3.0	67	4.3
FSS-8	506	33	6.5	15	3.0	18	3.5
-9	100	7	7.0	3	3.0	4	4.0
-10	<u>41</u>	<u>1</u>	2.4	—	—	<u>1</u>	2.4
Sub Total Support Level	647	41	6.3	18	2.8	23	3.5
TOTAL FSSO/FSS	2,529	174	6.9	79	3.1	95	3.8
<i>ALL CIVIL SERVICE (GS/GG)</i>							
GS/GG-18	2	—	—	—	—	—	—
-17	4	—	—	—	—	—	—
-16	<u>22</u>	<u>1</u>	4.5	<u>1</u>	4.5	—	—
Sub Total Senior Level	28	1	3.6	1	3.6	—	—
-15	121	12	9.9	11	9.1	1	0.8
-14	98	4	4.1	4	4.1	—	—
-13	158	15	9.5	9	5.7	6	3.8
-12	<u>181</u>	<u>41</u>	22.7	<u>17</u>	9.4	<u>24</u>	13.3
Sub Total Middle Level	558	72	12.9	41	7.3	31	5.6

-11	281	98	34.9	52	18.5	46	16.4
-10	67	18	26.9	9	13.4	9	13.4
-9	407	157	38.6	60	14.7	97	23.9
-8	270	122	45.2	28	10.4	94	34.8
-7	512	234	45.7	58	11.3	176	27.4
Sub Total Junior Level	1,537	629	40.9	207	13.5	422	27.4
-6	463	221	47.7	55	11.9	166	35.8
-5	518	249	48.1	56	10.8	193	37.3
-4	317	126	39.7	16	5.0	110	34.7
-3	176	100	56.8	25	14.2	75	42.6
-2	94	63	67.0	17	18.1	46	48.9
-1	16	10	62.5	3	18.7	7	43.8
Sub Total Support Level	1,584	769	48.5	172	10.9	597	37.6
TOTAL CS	3,707	1,471	39.7	421	11.4	1,050	28.3
<i>CIVIL SERVICE (GS)</i>							
GS-18	2	—	—	—	—	—	—
-17	3	—	—	—	—	—	—
-16	21	—	—	—	—	—	—
Sub Total Senior Level	26	—	—	—	—	—	—
-15	112	11	9.8	11	9.8	—	—
-14	89	4	4.5	4	4.5	—	—
-13	143	15	10.5	9	6.3	6	4.2
-12	170	41	24.1	17	10.0	24	14.1
Sub Total Middle Level	514	71	13.8	41	8.0	30	5.8
-11	268	96	35.8	50	18.7	46	17.1
-10	54	14	25.9	6	11.1	8	14.8
-9	377	147	39.0	54	14.3	93	24.7
-8	237	110	46.4	22	9.3	88	37.1
-7	472	229	48.5	56	11.9	173	36.6
Sub Total Junior Level	1,408	596	42.3	188	13.3	408	29.0
-6	372	202	54.3	48	12.9	154	41.4
-5	492	246	50.0	56	11.4	190	38.6
-4	316	126	39.9	16	5.1	110	34.8
-3	175	100	57.1	25	14.3	75	42.8
-2	92	63	68.5	17	18.5	46	50.0
-1	16	10	62.5	3	18.7	7	43.8
Sub Total Support Level	1,463	747	51.1	165	11.3	582	39.8
TOTAL GS	3,411	1,414	41.5	394	11.6	1,020	29.9
<i>CIVIL SERVICE (GG)</i>							
GG-18	—	—	—	—	—	—	—
-17	1	—	—	—	—	—	—
-16	1	1	100.0	1	100.0	—	—
Sub Total Senior Level	2	1	50.0	1	50.0	—	—



-15	9	1	11.1	—	—	1	11.1
-14	9	—	—	—	—	—	—
-13	15	—	—	—	—	—	—
-12	11	—	—	—	—	—	—
Sub Total Middle Level	44	1	2.3	—	—	1	2.3
-11	13	2	15.4	2	15.4	—	—
-10	13	4	30.8	3	23.1	1	7.7
-9	30	10	33.3	6	20.0	4	13.3
-8	33	12	36.4	6	18.2	6	18.2
-7	40	5	12.5	2	5.0	3	7.5
Sub Total Junior Level	129	33	25.6	19	14.7	14	10.9
-6	91	19	20.9	7	7.7	12	13.2
-5	26	3	11.5	—	—	3	11.5
-4	1	—	—	—	—	—	—
-3	1	—	—	—	—	—	—
-2	2	—	—	—	—	—	—
-1	—	—	—	—	—	—	—
Sub Total Support Level	121	22	18.2	7	5.8	15	12.4
TOTAL GG	296	57	19.3	27	9.1	30	10.2
<i>SUMMARY BY PAY PLAN</i>							
<i>FOREIGN SERVICE</i>							
CA	—	—	—	—	—	—	—
CM	39	1	2.6	1	2.6	—	—
FSO	3,475	158	4.5	132	3.8	26	0.7
FSR	2,226	210	9.4	147	6.6	63	2.8
FSRU	767	53	6.9	42	5.5	11	1.4
FSSO/FSS	2,529	174	6.9	79	3.1	95	3.8
TOTAL FOREIGN SERVICE	9,036	596	6.6	401	4.4	195	2.2
<i>CIVIL SERVICE</i>							
GS	3,411	1,414	41.5	394	11.6	1,020	29.9
GG	296	57	19.3	27	9.1	30	10.2
TOTAL CIVIL SERVICE	3,707	1,471	39.7	421	11.4	1,050	28.3
GRAND TOTAL	12,743	2,067	16.2	822	6.4	1,245	9.8

**209. Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs) to the Deputy Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, March 28, 1978

SUBJECT

Minorities Assigned Overseas

Pursuant to Congressman Rangel's complaint to President Carter concerning a lack of minorities at overseas posts,<sup>2</sup> we have compiled an overall statistical picture as of December 31, 1977. Copy attached. There is some truth to the Congressman's allegation that minorities are not very visible in top-level and other policy-making roles. More than one third (38.5%) of the minorities serving at overseas posts are in support roles (secretarial and communications) as of the end of last year.

The back-up papers used to develop the attached report show that some posts have no minorities at all. At least one large post has only three minorities—all in the code room. At several posts, all of the minorities are in the Consular sections or Administrative sections. Situations like these probably explain why the Congressman saw so few minorities on his round-the-world trip. At those posts visited by Rangel where we do have minorities, it is regrettable that the posts were not more sensitive in recognizing his interests.

The back-up research also showed that many Asian-Americans are assigned to EA, Blacks to AF, and Hispanics to ARA. On the surface this looks like stereotyping; yet, if our open assignment system is working, I would grant that some of these assignments may be the personal choices of the employees involved. Of the four Foreign Service Native Americans, two are overseas—the only FSO is in ARA and one of two FSS's is in NEA.

Finally, even if Bureaus/posts did create a demand to make their staffing profiles more representative of the U.S. population, which a few have done, our supply is inadequate. As you recall, we have only 159 minority FSO's—not even one per post—and only 596 minorities in all FS pay plans. Obviously once again, intensified recruitment and

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977-1978, Box 9, Chron March 1978. No classification marking. Copies were sent to Barnes, Clark, Douglas Bennett (H), Robert Sayre (S/IG), Terence Todman, Vest, Holbrooke, Alfred Atherton (NEA), and Moose.

<sup>2</sup> See Document 205.

intensified hire are the answers. (By the way, I suspect that a comparable study on women would reveal a similar situation.)

## Attachment

### Table Prepared in the Office of Equal Employment Opportunity<sup>3</sup>

Washington, March 1978

#### DEPARTMENT OF STATE MINORITIES AT OVERSEAS POSTS (As of December 31, 1977)

*ARA (32 posts)\**

Pay Plan	CM/PO & DCM	Pol	Econ	Con	Adm	Sec	C&R	Total
FSO	7	5	3	8	8	—	—	31
FSR	—	6	1	16	3	—	6	32
FSRU	—	—	—	—	3	—	1	4
FSS/FSSO	1	—	—	5	2	14	4	26
Total	8 (8.6%)	11 (11.8%)	4 (4.3%)	29 (31.2%)	16 (17.2%)	14 (15.1%)	11 (11.8%)	93 (100%)

*EUR (35 posts)\**

Pay Plan	CM/PO & DCM	Pol	Econ	Con	Adm	Sec	C&R	Total
FSO	2	5	7	10	7	—	—	31
FSR	—	2	1	7	3	—	4	17
FSRU	—	—	—	—	2	—	5	7
FSS/FSSO	—	—	—	4	2	14	12	32
Total	2 (2.3%)	7 (8.0%)	8 (9.3%)	21 (24.1%)	14 (16.1%)	14 (16.1%)	21 (24.1%)	87 (100%)

<sup>3</sup> No classification marking. Source: PER/MGT. Asterisks denote that only posts/missions with minorities were counted.

*EA (17 posts)\**

Pay Plan	CM/PO							
	& DCM	Pol	Econ	Con	Adm	Sec	C&R	Total
FSO	2	1	4	4	3	—	—	14
FSR	—	3	—	6	2	—	2	13
FSRU	—	—	—	1	—	—	5	6
FSS/FSSO	—	—	—	4	3	9	9	25
Total	2 (3.4%)	4 (6.9%)	4 (6.9%)	15 (25.8%)	8 (13.8%)	9 (15.6%)	16 (27.6%)	58 (100%)

*NEA (21 posts)\**

Pay Plan	CM/PO							
	& DCM	Pol	Econ	Con	Adm	Sec	C&R	Total
FSO	—	1	2	3	2	—	—	8
FSR	—	1	1	3	6	—	6	17
FSRU	—	1	—	—	1	—	1	3
FSS/FSSO	—	—	—	1	1	6	11	19
Total	— (—)	3 (6.4%)	3 (6.4%)	7 (14.9%)	10 (21.3%)	6 (12.8%)	18 (38.2%)	47 (100%)

*AF (22 posts)\**

Pay Plan	CM/PO							
	& DCM	Pol	Econ	Con	Adm	Sec	C&R	Total
FSO	4	2	1	3	3	—	—	13
FSR	—	—	3	3	7	—	2	15
FSRU	—	1	—	1	—	—	—	2
FSS/FSSO	—	—	—	1	1	11	7	20
Total	4 (8.0%)	3 (6.0%)	4 (8.0%)	8 (16.0%)	11 (22.0%)	11 (22.0%)	9 (18.0%)	50 (100%)

*SUMMARY (127 posts)\**

Pay Plan	CM/PO							
	& DCM	Pol	Econ	Con	Adm	Sec	C&R	Total
FSO	15	14	17	28	23	—	—	97
FSR	—	12	6	35	21	—	20	94
FSRU	—	2	—	2	6	—	12	22
FSS/FSSO	1	—	—	15	9	54	43	122
Total	16 (4.8%)	28 (8.4%)	23 (6.9%)	80 (23.8%)	59 (17.6%)	54 (16.1%)	75 (22.4%)	335 (100%)

**210. Memorandum From the Chairman of the Civil Service Commission (Campbell) to Secretary of State Vance<sup>1</sup>**

Washington, April 28, 1978

**SUBJECT**

Employment of Women and Minorities in the Federal Service—A Special Report

The attached memorandum to the President<sup>2</sup> reports on the status and progress of women and minority employment in the Federal Service. It concludes that the Federal service is already reasonably representative in terms of total work force and that dramatic Government-wide change in either total representation or representation by grade level is unlikely. It further concludes that, with extraordinary efforts, the very small gains in recent years for women and minorities in acquiring higher level jobs can be improved. These improvements can be made only if there is commitment at the very top levels of management in every Federal department and agency and if top level managers are involved on a continuing basis.

To aid you in assessing your agency's affirmative action performance, this memorandum compares your agency with Government-wide averages. We encourage you to use this report to identify and correct any weaknesses in your affirmative action programs. The tables below aggregate minority employment; the attached back-up material should aid you in the analysis of employment concerns of individual minority groups.

As in the report to the President, full-time permanent employment is used as the basis for this report.<sup>3</sup> Other parameters of this report are also the same as in the report to the President.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1977–1978, Box 10, Chron May 1978. No classification marking. Printed from an unsigned copy.

<sup>2</sup> Attached but not printed.

<sup>3</sup> Differs from Minority Group Study of Full-Time Employment: November 30, 1976, by not including full-time temporary employees. Data Source—Central Personnel Data File—excludes Hawaii, Guam, and Puerto Rico. [Footnote is in the original. The 1976 report has not been found.]

*TOTAL REPRESENTATION*

Total representation of women and minorities is as follows:

	State	Federal Full-Time Permanent Employment Average, Nov. 30, 1977	National Non-Farm Labor Force Employment 1977 Annual Average
Women	37.5%	34.6%	41.2%
Minority	19.5%	20.8%	15.2%

Changes in employment totals of women and minorities over the past four years are detailed below:

	1973-76 Average Annual Change		1976-77 Change	
	State	Gov't Average	State	Gov't Average
Women	1.2%	2.8%	2.5%	1.8%
Minority	0.9%	2.4%	3.0%	1.6%
Total Employment	a <sup>4</sup>	1.0%	2.8%	a <sup>5</sup>

*REPRESENTATION BY GRADE LEVEL*

As indicated in the report to the President, we believe the level of jobs held by women and minorities to be a better measure of their advancement (and therefore of the effectiveness of affirmative action efforts) than overall representation. For your agency, these representation levels are as follows:

Distribution of Women and Minorities  
by General Schedule Grade

Full Time Permanent Employment Nov. 30, 1977

GENERAL SCHEDULE & EQUIVALENT<sup>6</sup>

	State	Government Average
GS 1-8		
% Women	71.8	68.2
% Minority	34.0	25.8
GS 9-12		
% Women	37.8	22.5
% Minority	17.5	12.2

<sup>4</sup> Less than .05%. [Footnote is in the original.]

<sup>5</sup> Less than .05%. [Footnote is in the original.]

<sup>6</sup> Department of Medicine and Surgery Pay Systems VM and VN in the Veterans Administration and Foreign Service Pay Systems have been equated to the General Schedule. [Footnote is in the original.]

GS 13–15		
% Women	10.0	5.9
% Minority	6.3	6.7
GS 16–18		
% Women	2.7	3.2
% Minority	2.8	4.9

Over the past year, the following changes took place:

Grade by Grade Representation—Net Change in Percentage  
Nov. 30, 1976–Nov. 30, 1977  
GENERAL SCHEDULE & EQUIVALENT<sup>7</sup>

	<u>State</u>	<u>Government Average Change from 1976</u>
GS 1–8		
Women	+1.1	+0.5
Minorities	+0.6	+0.5
GS 9–12		
Women	–0.9	+1.2
Minorities	+0.4	+0.5
GS 13–15		
Women	+0.4	+0.4
Minorities	a <sup>8</sup>	+0.3
GS 16–18		
Women	a <sup>9</sup>	+0.4
Minorities	–0.3	+0.2

*NON-CAREER EXECUTIVE APPOINTMENTS*

Of special interest is your agency’s performance in hiring non-career executives. Non-career executives are employees at grades GS 16–18 with Non-career Executive Assignments. Included are also a few employees at these levels with Schedule C appointments and a small number with Presidential appointments, with the advice and consent of the Senate.

For these employees, you show the following picture:

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<sup>7</sup> Department of Medicine and Surgery Pay Systems VM and VN in the Veterans Administration and Foreign Service Pay Systems have been equated to the General Schedule. [Footnote is in the original.]

<sup>8</sup> No percentage difference. [Footnote is in the original.]

<sup>9</sup> No percentage difference. [Footnote is in the original.]

EMPLOYMENT OF NON-CAREER EXECUTIVE WOMEN  
IN  
STATE

Date	No. of Non-career Employees	No. of Non-career Women	Percent of Non-career Women
12/31/75	2	1	50.0%
12/31/76	2	1	50.0%
12/31/77	3	1	33.3%

Only three percent of the positions at the supergrade or equivalent levels in the Department are under the General Schedule.

*CONCLUSION*

We hope this report will be useful to you in your affirmative action program. We intend to provide semi-annual reports to you and to the President. More detailed statistical information is attached for your further analysis.

**Attachment**

**Table Prepared in the Civil Service Commission<sup>10</sup>**

Washington, undated

EQUAL EMPLOYMENT OPPORTUNITY PROGRESS REPORT  
AS OF NOVEMBER 1977

	FULL-TIME PERMANENT EMPLOYMENT NOV 77 NUMBER	PERCENT	CHANGE SINCE NOV 73	CHANGE SINCE NOV 76	DIFFERENCE GOVERNMENT- PERCENT
GOVT-WIDE TOTAL					
(NON-POSTAL)	1,774,447	100.0	2.9	1 <sup>11</sup>	...
WOMEN	614,627	34.6	10.3	1.8	...
BLACK	264,627	14.9	6.7	1.1	...
HISPANIC	64,211	3.6	9.8	2.8	...
NATIVE	20,534	1.2	29.3	6.1	...
AMERICAN					
ORIENTAL	19,220	1.1	18.9	0.5	...

<sup>10</sup> No classification marking.

<sup>11</sup> Less than .05 percent. [Footnote is in the original.]



STATE	14,149	100.0	2.8	2.8	...
DEPARTMENT					
WOMEN	5,301	37.5	6.1	2.5	2.9
BLACK	2,273	16.1	8.1	3.5	1.2
HISPANIC	361	2.6	-3.7	1 <sup>12</sup>	-1.0
NATIVE	13	0.1	-13.3	30.0	-1.1
AMERICAN					
ORIENTAL	116	0.8	-4.9	1 <sup>13</sup>	-0.3

## RAW DATA FOR ABOVE TABLE:

	NOVEMBER 1976	NOVEMBER 1973
GOVT-WIDE		
(NON-POSTAL)	1,775,161	1,723,698
WOMEN	603,856	556,993
BLACK	261,702	248,114
HISPANIC	62,476	58,459
NATIVE AMERICAN	19,356	15,879
ORIENTAL	19,121	16,161
STATE DEPARTMENT	13,766	13,767
WOMEN	5,172	4,996
BLACK	2,196	2,102
HISPANIC	361	375
NATIVE AMERICAN	10	15
ORIENTAL	116	122

<sup>12</sup> Less than .05 percent. [Footnote is in the original.]

<sup>13</sup> Less than .05 percent. [Footnote is in the original.]

**211. Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs) to the Deputy Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, June 9, 1978

SUBJECT

Sex Class Action Complaint #2 (Women FSO's)

REF

My Memorandum of January 31, 1978<sup>2</sup>

The Federal Employee Appeals Authority, Civil Service Commission has recommended that the Department cancel for failure to prosecute under the Administrative procedures, the Sex Class Action Complaint filed by Ms. JulieAnn McGrath. Attached is a copy of the Examiner's Recommendation. (Tab A)<sup>3</sup>

*Background*

The attorney for Ms. McGrath advised the CSC EEO Complaints Examiner that Complainant has elected to pursue her class complaint in Court and does not intend to continue prosecution pursuant to the Administrative process.

In accordance with regulations, Ms. McGrath has the right to pursue her complaint in Court inasmuch as 180 calendar days have passed since she filed her complaint. However, the exercise of such right does not terminate the Department's responsibility to continue the Administrative process of her complaint. Therefore, pursuant to Federal Personnel Manual Section 713.604(g), the Department has the authority to cancel Ms. McGrath's complaint for failure of prosecution.

Based on the above, I have prepared for your signature, as required by regulations, a letter cleared by L/M, issuing a Final Agency Decision. (Tab B)<sup>4</sup>

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 1, Chron June 7-9, 1978. No classification marking.

<sup>2</sup> See Document 201.

<sup>3</sup> Attached; printed as Document 199.

<sup>4</sup> Attached but not printed.

**212. Memorandum From the Acting Deputy Assistant Secretary of State for Equal Employment Opportunity (Prince) to the Deputy Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, August 2, 1978

SUBJECT

Working Couples As of June 30, 1978

As promised in the July 25 meeting with WAO,<sup>2</sup> with PER's help we have updated the statistics on Working Couples—copy attached.

We are working with an imperfect data base because, among other problems, some working couples do not wish to be identified as such (except, I'm told, when assignment time comes). Accepting the possible flaws in our data, the number of working couples where both parties are in a State Foreign Service pay plan has risen from 113 on October 31, 1976 (our last known count) to 128 as of June 30, 1978. We also show three FS plan employees now married to State Civil Service employees where we showed none twenty months ago. The number of working couples where a State FS employee is married to someone in another agency has risen from 5 to 15 in the same period.

I have asked PER to work on improving our data base for future use. If the unidentified 15 individuals are in fact members of working couples, our statistics will go up by 15.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 2, Chron July 31–August 3, 1978. No classification marking.

<sup>2</sup> No minutes of this meeting have been found.

**Attachment****Table Prepared in the Office of Equal Employment Opportunity<sup>3</sup>**

Washington, August 2, 1978

*FS WORKING COUPLES 6/30/78*

(where at least one party is of an FS Pay Plan)

<u>Pay Plan Combinations</u>	<u>No. Couples</u>
FSO/FSO	41
FSO/FSS	25
FSO/FSR	14
FSO/FSRU	1
FSO/GS	1
FSO/AID	2
FSO/ICA	9
FSR/FSR	2
FSR/FSRU	1
FSR/FSS	9
FSR/GS	1
FSR/AID	1
FSR/ICA	1
FSRU/FSRU	2
FSRU/FSS	12
FSRU/GS	1
FSRU/AID	1
FSS/FSS	21
FSS/AID	1
Totals: State/State	131
State/Other Agencies	15
	146

NOTE: Members of Nine (9) of above State/State couples use different names.

<sup>3</sup> No classification marking. Source: PER/MGT/OS/AR.

Unidentified individuals on June 30, 1978 machine run who apparently are half of a Working Couple:

	<u>Female</u>	<u>Male</u>	<u>Total</u>
FSO	2	4	6
FSR/U	1	4	5
FSS	<u>1</u>	<u>3</u>	<u>4</u>
	4	11	15

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**213. Briefing Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to Secretary of State Vance<sup>1</sup>**

Washington, September 8, 1978

*Affirmative Action Progress Report*

I thought you would be interested in a brief report of progress on some of our Affirmative Action efforts.

*Officer Intake*

The Foreign Service Reserve Junior Officer Program met its goal of 43 candidates for FY 78. This figure more than doubled any previous intake since the inception of the program (1967). Although the Middle-Level hiring program did not achieve the Executive Level Task Force’s recommendation of 29, it did reach for the first time the goal of 20 participants, the stated goal per year for the preceding three years of the program.

*Recruitment Advertising*

As part of this year’s recruitment campaign, advertising has been placed in 112 publications aimed at minorities and women. This is, in part, in response to the complaints expressed to you by black publishers last Fall that the Department was not using their publications.<sup>2</sup> 103

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 3, Chron September 7–8, 1978. No classification marking. Sent through Read. Drafted by Alta Fowler (REE/EXAM/BEX) and Glenn Mabray (REE/REC/SP); cleared by Gershenson and Burroughs.

<sup>2</sup> Not found.

newspapers and 9 magazines were chosen on the basis of circulation and response received from past campaigns. In previous years we have placed ads only in 7 minority and women's periodicals, a few (2-5) general publications, and college newspapers.

#### *Recruitment Drive*

25 Foreign Service Officer "Career Advisors" will visit some 179 institutions of higher education between September 15 and October 13, concentrating on (1) those which provided the greatest number of women and minority candidates for the 1977 written examination; (2) those having a high density of minorities and women students; (3) those providing course specialization in fields of particular interest to the Foreign Service; and (4) those which provided the greatest number of successful candidates in past years.

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#### **214. Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) and the Special Assistant to the Legal Adviser (Vilaplana) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, December 4, 1978

#### **SUBJECT**

Report on Progress Towards Developing a Method to Combine Junior Officer Level Affirmative Action and Regular Registers

Until the Supreme Court speaks further on the subject, all affirmative action programs will be tested by comparison to *Bakke*.<sup>2</sup> The program struck down in *Bakke* was a program voluntarily adopted by the faculty of the UC Davis medical school. The program established a fixed number of places in the medical school from which non-minorities were excluded. It was not intended to remedy specific, identifiable

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 4, Chron November 29-December 4, 1978. No classification marking. Drafted by William B. Owen (REE/EXAM/BEX) and Vilaplana; cleared by Lee Marks (L). Printed from an unsigned copy.

<sup>2</sup> Reference to *Regents of the University of California v. Bakke*, 438 U.S. 265 (1978). See footnote 7, Document 194. The Supreme Court's decision was announced on June 28. The Court upheld affirmative action but ruled that specific quotas were impermissible.

discrimination, nor were there any legislative, judicial or administrative findings of past discrimination.

In discussing the UC Davis program, the Court criticized the “two-track” format, i.e., two independent and unrelated selection procedures, one for affirmative action applicants, one for everyone else.

The Department’s affirmative action program is in most significant respects different from the program at UC Davis. Nevertheless, at a meeting occasioned in part by a *Chicago Tribune* article on the Department’s program,<sup>3</sup> you asked that we look into whether a method could be devised to combine the junior level affirmative action for the purpose of enhancing the Department’s program’s legal survivability, particularly in light of *Bakke*. This memorandum briefly reviews existing procedures and describes a possible method for register integration.

## I. PROCEDURES USED IN THE 1977–78 CYCLE

### A. Regular Process

The FSO selection process for the 1977–78 hiring cycle consists of five separate elements, the written exam, the essay, the oral exam, the in-basket test, and the suitability rating:

#### 1. The Written Exam

The written examination was given in December 1977. Approximately 18,000 individuals applied to take the exam, 11,500 actually took it, and about 2,400 scored above the cut-off score. The cut-off score varies from year to year. It is set by the State Department and the Educational Testing Service (ETS) to “pass” the number of candidates which, given expected attrition and failure at subsequent stages, will yield the number of FSO candidates necessary to meet the needs of the Service.

#### 2. The Essay

The essay is taken at the same time as the written exam. It is scored by ETS and the score is reported as a separate item to the Department. While the essay score is reported prior to inviting candidates to the oral exam it has no bearing on whether a candidate is invited.

#### 3. The Oral Exam

The oral exam (which is given in Washington and in several other major cities) is a one hour examination by a panel of three Foreign Service officers. Although a score of 75 is passing, it was determined

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<sup>3</sup> See Raymond Coffey, “Discontent Grows: Reverse Bias Hiring in State Dept. Hit,” *Chicago Tribune*, September 3, 1978, p. 1.

this year that a score of 80 would be necessary to remain “competitive” and to justify the expense of a security investigation and a medical examination. Approximately 35 percent of those who took the oral exam passed (i.e., scored 75 or higher). However, approximately 250 passers were found non-competitive. The oral is scored on the spot and the candidate is immediately informed about the result.

#### *4. The In-Basket Test*

If determined to be “competitive” after the oral, the candidate is given an “in-basket” test of managerial and organizational skills.

#### *5. The Suitability Rating*

All information gathered during the entire process for those who have received medical and security clearances is reviewed by a Final Review Panel. The Panel, made up of four individuals, awards each candidate a score reflecting background, suitability and other intangible factors.

#### *B. Weighting the Scores*

Each of the five elements is weighted. The weights have been determined by BEX in consultation with a number of individuals including Foreign Service officers concerning the relevance of each of the five elements to the abilities necessary as a Foreign Service officer. The written exam is given a weight of 24, the oral exam 36, the essay 8, the in-basket 8, and the suitability rating of each member of the Final Review Panel 6. The candidate’s score on each element (or sub-element in the case of the suitability rating) is multiplied by the weighting factor, the products are added, and the sum is divided by 100 to arrive at an overall score.

Based on that score, each candidate is ranked on a register for one of the four cones: administrative, consular, economic, and political. FCA/JO determines the register on which individual candidates are placed.

#### *C. Minority Performance in Regular Process*

Of 27 minority individuals who “passed” (approximately 1,800 took the exam) the December 1977 written exam and were invited to take the oral, 15 passed the oral (i.e., scored above 75), but 7 were informed that they were non-competitive because they scored below 80. These individuals, however, were further informed that they could apply as EEO applicants and thereby be placed on the separate EEO registers with the strong likelihood that they would be offered an EEO appointment. Such an appointment is, of course, conditional and requires taking and passing a second lateral entry oral exam not sooner than three but not later than five years after entering on duty.



#### *D. Affirmative Action Process*

The procedures for evaluating EEO candidates vary in two respects. First, EEO candidates are not required to take or pass the written exam. A college degree is accepted as proof of background knowledge and in lieu of a “passing” score on the written exam. Second, deficiencies noted during the oral may be mitigated if, in the judgment of the examiners, the candidate otherwise manifests strong potential. EEO candidates are ranked on separate EEO registers for one of the four cones.

#### *E. Changes for 1978–79 Cycle*

Beginning with the 1978–79 hiring cycle, the one hour oral exam will be replaced by a full-day assessment process. The process will be used for both EEO and regular applicants. Each applicant will participate in various exercises during the assessment including an in-basket test, a personal inventory, a one-on-one interview, an individual presentation, and a leaderless group discussion. Each applicant will be observed during the day by each of three assessors chosen from among BEX deputy examiners. A final decision on an applicant’s continued competitiveness will be based on the combined judgment of the three assessors. That judgment will be reflected in a numerical score (the final weighting scheme has not yet been determined, but it is likely that the weight for the assessment process will be approximately equal to the present combined weights of the oral exam and the in-basket test, i.e., 42). In all other respects the 1978–79 hiring process will be identical to the 1977–78 process.

### II. METHOD OF REGISTER INTEGRATION

At least three methods of combining the BEX and the EEO registers have been suggested. First, we could require written exams of all applicants and attempt to devise a formula which would reduce any cultural bias in the exam to permit fair comparison between minority and non-minority test scores. Second, we could, similar to the Harvard plan,<sup>4</sup> conduct deep background evaluations which would permit us to factor in highly personal information such as place of origin, race and other unique attributes. Finally, we could devise a method to award EEO applicants a proxy written exam score based on performance of some type, e.g., college. Because of practical and theoretical limitations, the last method appears at this stage the most workable.

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<sup>4</sup> Harvard filed an *amicus curiae* brief in the *Bakke* case, setting forth its plan that used race as just one of many factors in its review of applicants to encourage diversity.

*A. Written Test Score Comparability*

It is technically impossible to define cultural bias in a way that would result in a formula which would eliminate or reduce the cultural bias reflected in the written exam score. While statistical techniques exist which make it possible to fairly compare results of certain tests as between minority and non-minority test takers, our situation does not lend itself to their use. Such statistical techniques require a broad range of scores. The FSO selection program is so selective that we have a very narrow range of scores. Virtually everyone is excellent or outstanding.

There are other statistical preconditions which underlie methods to equate or enhance the comparability of test scores between different populations and which are also absent in our case.

*B. Deep Background*

Another suggestion has been that we ask candidates who achieve a threshold score in the written examination to submit extensive biographical, personal and vocational interest information. Such information would include, for example, work experience, an essay, transcripts, evidence of achievement in extra-curricular activities, references, writing samples, and personal interest information. A grading scheme could be devised based on job analyses and the knowledge content areas which such analyses indicate are substantially related to the job.

While the actual scheme could be determined only after careful study, it would be similar to that used by the Final Review Panel process in the 1977–78 cycle. Deputy examiners, testing specialists, and consultants would be asked to use their best judgments in determining the relative importance of various knowledge content areas, and values would be assigned according to those judgments. In addition, values would be assigned to activities within a knowledge content area reflecting the degree of reliability of the activity as an indicator of competence within the area. While a transcript, for example, would indicate that a candidate had taken economics courses and had therefore had the opportunity to acquire knowledge in this area, satisfactory work experience in the area of economics would indicate that the candidate had acquired such knowledge. Work experience would therefore be given a higher value than a transcript item. Similarly, extra-curricular activities might be more indicative of interpersonal skills than personal interest information.

Based on such a deep background evaluation, we could invite candidates for further examination. This would certainly give us more flexibility in determining the make-up of our junior officer classes. It would also, however, subject us to increased pressure to hire a particular candidate. In addition, this technique has special merit where a geographic, racial, or ethnic mix has unusual importance; it is not

entirely clear that the first amendment value of diversity which the Supreme Court in *Bakke* recognized as compelling in an academic setting, would be found to be equally compelling in an employment context.

Moreover, there is the practical problem of the workload imposed by such deep background evaluations. The task of sifting through all this additional information would be staggering.

### *C. Proxy Score*

We have developed a procedure which may allow us to place minority candidates on integrated registers in positions which would make them competitive with non-minority candidates. The procedure is experimental and our conclusions tentative.

Essentially, this method consists of assigning a “proxy” score for the written examination based on an evaluation of the candidate’s college transcript and work experience. The “proxy” score is assigned by the BEX Testing and Evaluation Specialist on the basis of job analyses.

Twenty knowledge content elements were identified by the job analyses as relevant. The elements include such subjects as American history, world history, macroeconomic theory, international business, and other general subjects. In evaluating each candidate, the candidate’s college degree is assigned the score of 70. Each knowledge content element in the candidate’s dossier is assigned a value of 1.5. An individual with a college degree and with all 20 content elements would receive a score of 100.

It appears that this method is compatible with the Department’s affirmative action goals.

### III. CONCLUSION

We will analyze further the feasibility and appropriateness of each of these methods of integrating the registers. We will report to you in the near future the results of these analyses, and if justified, submit specific recommendations.

**215. Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, December 18, 1978

SUBJECT

Affirmative Action

The attached report at TAB A presents some of the basic issues that were discussed at a meeting on November 30 with a group of officers who entered the Service through one of the two Affirmative Action programs. The meeting, which was chaired by John Burroughs and Ron Palmer, was one of several efforts made by PER/FCA with M/EEO within the past few weeks to carry out the consensus reached at our Airlie House Conference<sup>2</sup> for finding more effective ways to carry out the Affirmative Action Program.

Attached at TAB B<sup>3</sup> is a follow-up report on three specific cases ([3 names not declassified]) which created concern at the meeting.

[less than 1 line not declassified] have now been cited in a TLG<sup>4</sup> letter to the Secretary dated December 15 (TAB C).<sup>5</sup>

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 5, Chron December 14–18, 1978. No classification marking. Printed from an unsigned copy.

<sup>2</sup> Not further identified.

<sup>3</sup> Attached but not printed.

<sup>4</sup> Thursday Luncheon Group.

<sup>5</sup> Attached but not printed.

**Tab A****Memorandum From the Director of the Office of Foreign Service Career Development and Assignments (Palmer) to the Director General of the Foreign Service and Director of Personnel (Barnes)<sup>6</sup>**

Washington, December 8, 1978

**SUBJECT**

Affirmative Action Problems and Plans

**BACKGROUND**

John Burroughs and I met November 30 with 16 present and former participants in the FSR/JO and Mid-Level Programs. Doug Watson and Joyce Smith, who are responsible for the FCA Affirmative Action effort, Idris Rossell of PER/PE, Charlie Tanguy, Georgiana Prince and Margaret Anderson of M/EEO, and Mike Durkee sat in. John Gravely of M/MO attended as well as Glenn Mabray of REE/EMP. The stated purpose of the meeting was to discuss draft letters and information sheets which John Burroughs and the FCA staff have drafted and intend to send to all people now on the rolls who came in under either of the special hiring programs, in an effort to zero in on the problems the FSR/JO's and Mid-Level entrants face in becoming successful FSO's. The purpose of the letter is to get more specific information from recipients on what they think their problems are so that we can attempt to undertake more individualized counseling in an effort to help them to survive better in the system. (Package attached at TAB A).<sup>7</sup>

The meeting was characterized by candor. Specific cases dominated the discussion but proved to be useful prisms through which to view the overall situation. There are problems. Personnel and the Department are not trusted. Among blacks, there is a perception that EEO entrants are persistently discriminated against. We have already started to try to deal with some of the most glaring problem areas, but others

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<sup>6</sup> No classification marking. Drafted on December 7 by Joyce A Smith, Michael L. Durkee, and Douglas K. Watson. Sent through Deputy Assistant Secretary of State for Personnel Nancy Rawls and Gershenson. Copies were sent to Burroughs, Rawls, Gershenson, Arthur Woodruff (PER/FCA), Douglas Watson (FCA/ARA), Joyce Smith (FCA/ARA), Michael Durkee (FCA/JO), Kang Huang (DGP/PC), Dudley Miller (PER/REE), Glenn Mabray (PER/REE/REC/SP), Richard Moon (PER/PE), Philip Bourbon (PER/CCA), Anthony Kern (DG/EM), Lawrence Russell (PER/MGT), Harrell Fuller (PER/MGT/HRM), and Ronald Main (PER/MGT/OS). Printed from an unsigned copy.

<sup>7</sup> Attached but not printed.

are more long-range or fundamental; attitudes as well as policies may have to be changed. This memo notes certain items we can and will work on now and also flags some of the longer-term problems.

## ISSUES

This is not an all-inclusive list of problems discussed in the meeting, or those which others might raise. But there were several major and interrelated problem sets, as illustrated by several specific cases which were volunteered.

### 1. Lateral Entry Exam

It is very clear that the lateral entry exam is seen as an unnecessary, arbitrary, and even discriminatory hurdle. The process itself is not fully understood by many of those subject to it, but the strong consensus at the meeting was that it operates in a way which does not properly reflect what people have done on assignments *and* which does not clearly relate to what is needed to be successful in the Service. [2 *names not declassified*] described their recent unsuccessful exams and drew considerable peer support for their contention that they were not given a fair shot.

[*name not declassified*] case is troubling because it suggests that the conduct of the exam was not all it should have been. He is a bright, articulate and vigorous person who should be able to excel in an oral exam situation. [*name not declassified*] on the other hand, claims that his oral exam was unfair because the Department failed to provide assignment opportunities which would enable him to develop the knowledge and skills needed to pass it. This falls into the category of career development, which is discussed below.

### 2. Tenure/Promotion

The FSR/JO's, like most other junior officers, remain puzzled about the tenure process, especially as it relates to the lateral entry exam. We hope that the information prepared by FCA/JO will help answer these questions, and we intend to provide the same information to the Mustangers. With adequate explanation, there should be no major problem with the tenure process *per se*, but several participants argued that there is double jeopardy for FSR/JO's, in that they face the lateral entry exam as well as the tenure review.

The instant case is that of [*name not declassified*] who believes that he, as an FSR/JO who converted to FSO-6 through the lateral exam, has been held back in terms of promotion to O-5 because he is still untenured after five years in the Service. (He is in no immediate danger, having five years to pass the threshold after converting to FSO in 1976.)

A more complex problem was raised by several of the people who had successfully converted and were now FSO-5s. Their perception is

that, relative to their A-100<sup>8</sup> classmates who entered as FSO's, they have been promoted more slowly. Although suspicions were voiced about prejudice in OERs or by selection boards, there was no clear consensus that there was an *institutional* problem amenable to policy or procedural changes. Several participants argued that black officers were affected most severely, other minorities or women less so.

### *3. Career Development and Counseling*

While the subject of career development did not come up as an explicit problem area, the burden of [name not declassified] complaint, as well as side comments by others, is that the Department does not provide proper developmental opportunities or advice. Specifically, [name not declassified]—and others—believe that the Department has an obligation to give people a *range* of experiences so that they will be prepared to handle the *range* of questions in the lateral entry exam, covering all aspects of Foreign Service work. They also believe that they receive conflicting or misleading information about positions, language probation, and promotion prospects.

The [name not declassified] case provides evidence that we need to do better; it also illustrates that not everyone can be a winner in what remains, after all, a competitive system. [name not declassified] spent two years doing visa work at Toronto as his first tour, then came back at his request and spent nearly four years in the Visa Office. He has wanted to remain in Washington and was not accepted for several possible assignments out of VO. Despite specific advice before and after his first try in 1977 at the lateral exam, there is no evidence that he did much to prepare himself in non-consular areas; on the second lateral exam try in September, he was found inadequate even in consular matters.

### *4. Mid-Level Program*

While much of the discussion centered on the FSR/JO Program, the Mid-Level FSR's confirmed that they need more help, too. Career counseling was identified as an essential ingredient, especially counseling that gave a better perspective of the institution and culture of the Service, well beyond assignment matters. The need for initial training/orientation was also stressed, both as a way to learn who does what to whom and as a way to start building contacts.

One salutary note—of the seven Mid-Level entry officers at the meeting, two recent entries felt the A-100 orientation in which they participated was extremely useful. As you are aware, we are now

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<sup>8</sup> A-100 is the designation of the FSO orientation class at the Foreign Service Institute.

timing the entry of Mid-Level hires to permit their participation in this course.

### PROPOSED ACTIONS

As the list of problems herein is not all-inclusive, neither are our recommended actions. To move sensibly towards implementation of a comprehensive action plan will require more time and effort on our part. Let me note several steps I think we can now take.

#### *1. Analysis and comparison of promotion rates for minority program JO's with all other JO's*

Working with John Burroughs' staff, MGT/HRM and MGT/OS, we should be able to capture this data. If the promotion rates of minority JO's are significantly lower (and this is indeed the perception of minority officers), then we may attempt to discover ways to remedy this, more particularly so if the degree of difference constitutes an "adverse impact" on minority personnel. Actions could range from exhortations to rating and reviewing officers, to additional language and other training, to creation of a point system to improve the rank ordering of minority personnel on lists submitted by Selection and/or Commissioning & Tenure Boards. The first step clearly is to obtain the data and make promotion rate comparisons.

#### *2. Identification of and counseling by more senior minority personnel (using the role model)*

I'm not quite sure how to go about this, but I'd like to urge the attention of *all* mid and senior level officers (including minority officers) to take an interest in the supervision, counseling and career development of all junior officers (including minority officers). In the most acceptable yet forthright way, I'd particularly want to emphasize this challenge to senior minority and women officers. I have not quite figured out how but we need to ask such officers to join in our outreach program.

A first step in this direction might be a first person cable from you to all Ambassadors and DCMs (and a personal letter to all Assistant and Deputy Assistant Secretaries) urging them to take a more aggressive interest in the development of all junior officers, with particular concern for the counseling and career development of minority, women and mustang personnel. I think our basic theme would be that study of the overall junior officer situation indicates a serious need to improve the supervision and counseling of such officers at the workplace.

#### *3. Apparent inconsistency between evaluations by BEX lateral boards, Selection Boards and Commissioning & Tenure Boards*

Various "horror" stories were cited at our meeting: an officer who passed the lateral, yet failed the C&T Board; another who received



tenure, but failed the subsequent lateral exam. The second lateral (the abolishment of which is now pending our and AFSA's concurrence) is clearly seen by minority officers as redundant and unfair. Even should it be abolished for future entrants, it still will apply to those minority and mid-level officers now on board. It would seem that officers recommended for tenure should by virtue of demonstrated performance be defined as career material. The lateral entry exam should be waived for these personnel. Any question regarding their suitability has effectively been answered. Similarly it would seem that those officers who have successfully passed the lateral exam hurdle, demonstrating interpersonal skills, substantive knowledge, synthesizing and analytic ability, as well as some intangible *savoir faire*, should be judged as fit for career status as FSO's, hence imminently tenureable. Tenure status should be awarded them on passing the lateral exam.

I understand that these possibilities have been studied earlier and that there are problems of implementation, but I believe we should take another look.

#### *4. Additional focus by PER travellers on JO's*

Our PER travellers, fully briefed on EEO concerns, should meet one-on-one with *all* JO's, and take special interest in minority officers. This extra attention is in my view easily justifiable. Minority officers are in a unique situation, and our investment in them as individuals, and in the Affirmative Action program, merit special efforts for their retention and development. Our travellers should identify these personnel prior to departing Washington, and be fully briefed by JO and conal CDO's on each officer, with special attention to problem situations. At post their in and out-briefings with the Ambassador and DCM should address JO's, and especially all minority officers. On return to Washington each traveller should submit a short paper on discussions with each minority officer to the appropriate CDO.

We should likewise ask S/IG to give similar attention to minority officers during inspections.

The cost in time and attention do not appear inordinate, but more importantly, we can't afford *not* to follow through with our interest in these personnel.

#### *5. Specific cases for consideration*

Finally, with regard to [3 *names not declassified*] we are studying their cases to determine whether remedial action is warranted. Our lateral entry/tenure recommendation would take care of [*name not declassified*]. Perhaps [*name not declassified*] case has gone too far for us to be helpful. It appears [*name not declassified*] case may be worth taking a closer look. I shall prepare reports on these cases to share with you.

I think if one or more of these cases could be put back on the tracks our credibility would be improved. We have little credibility with this group now.

*NEXT STEPS WITHIN PER*

We are moving perhaps slowly, but, I hope, surely. And, we are sharpening our focus on a couple of areas where we can take positive steps. Improvement in our Affirmative Action efforts, as in many other personnel management concerns, will come about largely through doing more of what we are doing, doing it consistently and doing it better until, as the old saw goes, we finally get it right.

With this paper perhaps as a focal point you may wish to have a meeting to discuss areas of concern, identify actions we are taking, and describe plans and responsibilities for further implementation. Some of the Airlie House participants and M/EEO staff might attend. Also, considering Ben's<sup>9</sup> participation in the Airlie House Conference and interest in our Affirmative Action program, you may wish to share the material in this package with him to foster further discussion. A draft memo to Ben is attached at TAB B.<sup>10</sup>

At TAB C<sup>11</sup> I have also attached for your information a memo just received from M/EEO illustrating the status of 22 minority officers, some of whom are in difficult straits regarding the lateral exam and/or tenure. We may wish to focus our efforts towards assisting several of these officers.

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<sup>9</sup> Ben Read.

<sup>10</sup> Attached but not printed.

<sup>11</sup> Attached but not printed.

**216. Memorandum From the Deputy Assistant Secretary of State for Personnel (Gershenson) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, January 9, 1979

SUBJECT

Women's Class Action Litigation

Attached is a copy of plaintiffs' proposals on the issue of promotions, which will be discussed at your meeting with plaintiffs' lawyers on Wednesday, January 10, at 4:30.<sup>2</sup>

The proposed remedies basically entail: (1) equalizing the percentage of promotions for women and men FSOs by cone and by grade—a *de facto* quota system of promotions; (2) accelerated promotions for women FSOs in classes O–4 and above to achieve percentage “parity” with their male counterparts by 12/31/81; and (3) the establishment of a separate “Hearing Panel” mechanism to review individual complaints of discrimination arising from the proposed settlement which might occur over the next five years.

Based on our preliminary review of plaintiffs' proposals, we do not feel that we can accept any of their proposals as presented, nor do we believe that we can negotiate meaningfully on most of these issues. Our conclusions are based on several factors:

—implicit in the acceptance of plaintiffs' plan would be our acknowledgement that we had systematically discriminated against women FSOs, *a finding based principally on statistics*. If we accept the validity of this line of argumentation, it could pave the way for future litigation by other groups of “statistically disadvantaged” employees.

—the attempt to achieve percentage “balance” between men and women FSOs by grade and cone through the establishment of a “quota” system of promotions will have a significant adverse impact on non-female FSOs currently in the system. We are attempting to analyze the numerical goals presented by plaintiffs to determine their impact on the promotion system if implemented. In this regard, you may wish to ask plaintiffs' lawyers about the source and rationale for their percentage goals, since we are unable to correlate their figures with our own data.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 5, Chron January 6–10, 1979. No classification marking. Drafted by Kang Huang (DGP/PC).

<sup>2</sup> No minutes of the meeting were found.

—we cannot accept plaintiffs contention of a presumption of discrimination if a female FSO remains in class nine months longer than the average time-in-class of her male counterpart. Such a rationale, if accepted, would undermine the Department's promotion system.

—while we may wish to pursue further the concept of a separate "Hearing Panel" as presented in plaintiffs' proposal, we would not wish to accept the rigid criteria and administrative guidelines that they have outlined.

## Attachment

### Paper Prepared in the Bureau of Personnel<sup>3</sup>

Washington, undated

#### PLAINTIFFS' PROPOSED "PROMOTIONS" SECTION OF SETTLEMENT AGREEMENT IN *PALMER v. VANCE* AND *KING v. VANCE*

##### *Affirmative Action Goals For Women's Promotions*

With respect to each round of promotions, the percentage of women FSOs from each grade<sup>4</sup> who are promoted shall at least equal the percentage of men from such grade who are promoted. This requirement shall apply both to the FSO corps as a whole and within each cone. However, with respect to the grades of Career Ambassador, Career Minister and FSO-1 through FSO-4, women shall be promoted at the rate necessary to achieve the goals set forth in the following table:<sup>5</sup>

Grade	1977 Percentage of male FSOs who are in grade	1977 Percentage of female FSOs who are in grade	Percent of women in each grade		
			12/31/79 goal	12/31/80 goal	12/31/81 goal
CA	0	0	[to be equal to male percentage]		
CM	1.0%	0	.2%	.6%	1.0%
FSO-1	10.5%	2.4%	4.4%	8.4%	10.5%
FSO-2	9.5%	2.4%	4.4%	7.4%	9.5%
FSO-3	19.4%	11.6%	13.6%	17.5%	19.4%
FSO-4	23.6%	15.1%	17.2%	21.4%	23.6%

Promotions resulting from any of the following procedures shall apply against the affirmative action goals:

<sup>3</sup> No classification marking.

<sup>4</sup> This includes junior officers (grades 6, 7, and 8) because at the time the suit was filed such officers were foreign service officers. [Footnote is in the original.]

<sup>5</sup> Brackets in the table are in the original.

(a) Standard Department of State promotion processes (taking into account that women and men are to be promoted in like percentages);

(b) Conversion to FSO status in these ranks of women of officer-level rank who have been employed by the Department for at least 3 years; and

(c) Remedial retroactive promotions resulting from the procedures, described below, for “Individual Relief.”

*Individual Relief: Promotions*

1. Any individual class member (including those who left the FSO corps after August 3, 1976), who believes that she has been discriminated against because of her sex, may submit to the Administrator<sup>6</sup> a sworn claim within 180 days of having been informed by the Department of the Agreement. An additional 90 days shall be provided to persons overseas so that they will have adequate time fully to present their claims. The Department shall inform class members within 15 days of the date of the Court’s approval of this Agreement. The Administrator shall have 30 days from the filing of the claim to attempt to conciliate the claim. If agreement is reached, the parties will file with the Court a stipulation of dismissal.

2. If, after the period for conciliation, no resolution is reached under paragraph 1 of this section, the Administrator shall forward the claim file to a Hearing Panel which will be appointed by the Court. The panel shall consist of: a representative chosen by the Department; a representative chosen by plaintiff’s counsel; and a third party chosen by the Court. The Agency and plaintiffs shall submit the names of their representatives to the Court for its approval within 30 days of the date of the Court’s approval of this Agreement.

3. If the Hearing Panel finds the claim has been substantiated, the claimant shall be awarded appropriate relief, which may include, *inter alia*, immediate and retroactive promotion and back pay, step increases and other appropriate benefits, back-dating of personnel actions, and extension of time in class equal to the time covered by the back-dating.

4. If the claimant shows that she was in class one-third longer or nine months longer (whichever is less) (for lateral entrants the time in class shall include service at an equivalent grade of a previous pay plan) than the average time-in-grade for all male employees then eligible for promotion at the same rank, the Department shall have the burden of showing by clear and convincing evidence a legitimate, nondiscrimina-

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<sup>6</sup> An Administrator for the settlement shall be appointed by the Department who is acceptable to plaintiffs. This subject would be covered in another section of the settlement agreement. [Footnote is in the original.]

tory reason why the individual, when compared with those men who were promoted, was not promoted. In order to verify the comparison, claimant and her counsel shall be permitted to review 10% of the files of male promotees from her grade (or 10 files, whichever is greater) after such files have been redacted to conceal the identity of such promotees. Such files shall be selected by claimant on a random basis. The Department shall have the opportunity to object to production of individual files only on the ground that such files cannot be redacted adequately to conceal the identity of the promotee. In the event the Department so objects, a member of the selection board which reviewed the file, who shall be acceptable to claimant, shall consider the validity of the objection and decide whether or not the redacted file shall be furnished. In the event the selection board member determines that the file should not be furnished, another file, selected at random, shall be substituted. In the event that the Department objects to the production of that file for the same reason, the selection board member shall make a determination as to the new file. Such selection and review shall continue until claimant or her counsel has access to the required percentage or number of files.

5. Any individual filing a claim pursuant to paragraphs 1–4 above shall do so in the form of a sworn written statement setting forth with particularity any facts which she believes support her claim of sex discrimination.

6. Each claimant shall be entitled to be assisted or represented by plaintiffs' counsel in preparation of her claim and in any proceedings before the Administrator and/or the Hearing Panel. The Administrator and/or the Hearing Panel shall award reasonable attorney's fees for services performed and costs and expenses incurred to successful claimants and may award such fees and expenses in other cases where it is appropriate.

7. These provisions for providing individual relief shall remain available until five years from the date of the annual promotion list next appearing after the date of this Agreement for the purpose of providing a remedy to women who suffer sex discrimination in the field of promotions during the period between the approval of this Agreement and that date.

#### *Promotion Boards and Standards*

1. The Department shall assign equal numbers of men and women officers of the Foreign Service to serve as members of all promotion panels and boards, including "threshold" panels and the Board appointing Career Ministers, and ensure that equal numbers of men and women officers of the Foreign Service chair such panels and boards.

2. The Department shall apply the same standards for promotion to both men and women FSOs and make written records of the Promotion Boards' deliberations to document the reasons for the boards' decisions.

*Relation to Assignments and Training*<sup>7</sup>

1. The Department shall ensure that women FSOs are given assignments and training which provide them with the experience and background necessary for them to receive promotions on an equal basis with men.

2. To ensure that women FSOs are fully utilized and fairly considered for promotion, any woman who is eligible for promotion and has not been promoted by the time she reaches the average time-in-grade for all male officers eligible for promotion may ask to have her file reviewed by the Administrator, within 180 days of reaching that average time-in-grade, to ensure that she received the assignments and/or training required under this agreement. The Administrator shall make a determination whether the requirements of this agreement have been met and shall report his or her conclusions to the employee and to plaintiffs. The Administrator shall advise the employee of her rights under this agreement and applicable laws and regulations concerning discrimination in employment.

3. If for any year for which reports are required by this agreement, the average time-in-grade of all women FSOs who are eligible for promotion in each grade exceeds by three months the average time in grade for all male FSOs eligible for promotion in the same grades, the Administrator shall review the records of all women eligible for promotion who have been in grade one-third or nine months (whichever is less) longer than the male average to ensure that the employees received the assignments and/or training required under this agreement. The Administrator shall report his or her conclusions concerning whether the requirements of this agreement have been met to plaintiffs. Upon request by plaintiffs, the Administrator shall conduct such a review and make such a report.

*Monitoring*

1. The Department shall, at regular intervals of 180 days for the next 5 years from the date hereof, or for such longer or shorter period as the Administrator determines is appropriate, provide reports to the Administrator setting forth the following information concerning the promotion process in the Department:

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<sup>7</sup> Plaintiffs anticipate that a final settlement agreement will contain additional provisions concerning assignments and training. [Footnote is in the original.]

(a) The number of promotion boards, panels or other entities involved in promotion considerations and recommendations convened for each FSO grade level and the number of times each was convened;

(b) The number of men and the number of women FSOs assigned as members to each such board, panel or entity involved in FSO promotional decisions;

(c) The percentage of those considered for promotion by each such board, panel, or other entity involved in FSO promotional decisions, who are (1) men and (2) women, for each grade level and cone;

(d) The percentages of those grouped or rank-ordered for whatever reason and by whatever category by each such board, panel or other entity involved in FSO promotional decisions, who are (1) men and (2) women;

(e) The number and percentage of those FSOs actually promoted at each grade level who are (1) men and (2) women for each grade level and cone.

2. Copies of the Department's reports to the Administrator shall be mailed to plaintiffs.

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**217. Letter From Charles J. Meyers, Dean of the Stanford Law School, to the Deputy Secretary of State (Christopher)<sup>1</sup>**

Stanford, California, January 24, 1979

Dear Chris:

I am pleased that we had a chance to talk today about the externship Stanford Law School has in the Office of the Legal Adviser in the Department of State, and I deeply appreciate your taking the time to make the call. Since we did have a chance for a candid exchange of views and since I understand the current situation of the State Department and you understand the position the Law School has taken, let me merely confirm in this letter my oral statement to you that the School feels obliged to terminate the externship at this time, since one of our students was denied the educational opportunity of the externship

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<sup>1</sup> Source: National Archives, RG 59, Records of the Deputy Secretary of State, 1977-1980, Box 9, Memos from WC to Offices/Bureaus, 1979. No classification marking. Copies were sent to Gerald Lieberman, Acting Provost; John J. Schwartz, University Counsel; Joseph E. Leininger, Associate Dean and Director of the Extern Program; and Mark Franklin, Chairman of the Law School Curriculum Committee.



because he is homosexual.<sup>2</sup> I understand from our conversation that this case, among others, has led to a serious and intensive study of the State Department position on employing homosexuals, and I express the hope that solutions will be found that will enable the Department and School to reestablish the externship.

May I express my appreciation for your courtesy and understanding in this matter and for the candor and cooperation of your staff, particularly Mr. Lee Marks.

Best personal regards,

Sincerely yours,

Charles J. Meyers<sup>3</sup>

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<sup>2</sup> An unknown hand highlighted the passage, "since one of our students was denied the educational opportunity of the externship because he is homosexual." "Was denied" was underlined by the same hand. In the margin adjacent to this sentence, a notation reads, "Correct? Wise?"

<sup>3</sup> Meyers signed "Charlie" above this typed signature.

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**218. Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, February 2, 1979

SUBJECT

Affirmative Action Hiring Program—Recruitment Strategy

As we have discussed on several occasions, the flow of applications to the Department's two Affirmative Action Hiring Programs has declined significantly. I do not believe, in light of the comments made by those who attended the National Black Leaders Meeting with Secretary Vance last week,<sup>2</sup> that we can attribute this to a lack of interest in foreign affairs or lack of qualified individuals in the minority community. It is equally as unrealistic, without proof, to assume an indifference or lack

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 6, Chron February 1–6, 1979. No classification marking.

<sup>2</sup> For Vance's January 25 remarks before a national conference of black leaders, see the Department of State *Bulletin*, March 1979, pp. 42–43.

of qualifications on the part of women. I suggest that one factor in this decline is the continued lack of a "recruitment strategy" specifically designed to attract minorities and women.

As you know, several action items resulting from the ELTF study commit the Department to improve its minority and women's recruitment effort.<sup>3</sup> Since this office, M/EEO, retains policy guidance and monitoring responsibility of the Affirmative Action Hiring Programs, I would like to propose additional actions to those outlined in Harry's memo of January 24<sup>4</sup> aimed at developing a serious recruitment strategy for these programs. By working closely with M/DG, I feel we can mount a creditable recruitment effort to sustain the number of applicants needed to achieve our goals for both programs.

The proposal has two elements, one to address our immediate problem and one to address long term recruitment.

(1) Immediate recruitment actions—To client applications.

a. M/EEO in concert with M/DG should send a letter describing the Affirmative Action Hiring Programs in brief and welcoming the addressees to encourage interested women and minorities to apply. The letter would contain current announcements for both programs. These letters would be sent to my personal contacts in the community, listed National Black Leaders, Hispanic, Native Americans, and Asian American national organizations; other federal agency EEO officials; the major women's organizations, and to those professional organizations with minority and/or women membership. There are literally hundreds of these organizations and we simply need to decide which ones promise the most benefit from a recruiting standpoint.

b. We need to immediately follow-up on the Secretary's expressed interest in increasing the number of minority Deputy Assistant Secretaries. This would be accomplished by giving first priority to personnel currently working within the Department and the Foreign Service. Outside talent should also be considered through the establishment of an Executive Talent Bank.

c. The President of the National Newspaper Publishers Association has informed me that the Department could advertise in a syndicated column that would reach all the major minority newspapers (202) with a readership of 3.2 million. This should be explored.

d. By using a list of conferences to be held this year by women and minority group organizations i.e., NAACP, Urban League, FEW, we should consider sending an EEO sensitive representative to speak

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<sup>3</sup> See Document 194.

<sup>4</sup> Not found.

to interested participants and distribute recruitment literature, including that for the Special Hiring Program.

(2) Long-term recruitment actions

a. We should establish dialogue with various foundations to explore other than traditional approaches for attracting minorities and women to the Foreign Service.

b. We should develop an EEO oriented recruitment pamphlet, similar to the excellent one used by the Department of Interior, which presents the public with successful role models. Ours would show successful minorities and women at posts and in Washington on the job and deliver a *realistic*, positive statement regarding careers with the Foreign and Civil Service in the Department. It would give general employment information and mention our Affirmative Action Hiring Programs. It would of course indicate how and where to obtain further information and applications.

c. The Department should construct a portable exhibit, that would be used as a display at conferences and conventions sponsored by national minority and women's organizations. It should show a well mixed, non-stereotyped workforce, again emphasis should be placed on minorities and women. This could be used by a select group of BEX recruiters and M/EEO staff members. The purpose here would be to interface with the "centers of influence" within the minority community to elicit their assistance in our recruiting efforts.

I think that by developing an active recruitment strategy for women and minorities, we will not only attract these groups to our Special Programs, but may also in the long run increase their interest in competing via the examination route. We should take the initiative by letting people know what we do, and that we are seeking their talents and skills to accomplish our mission. The passive "hit or miss" approach used in the past will only continue to defeat our interest in developing an organization representative of the U.S. population.

I believe the following quote from the late Whitney Young, President of the Urban League, sums up what we're trying to say:

"Today it is not enough for the businessman simply to take the FOR WHITE ONLY sign or drop this phrase from his want ads. . . . it is not sufficient to post the President's executive order on equal employment outside the hiring office door. Even statements that the company will employ any qualified man may not be enough, nor will the sentence 'equal opportunity employer' in his ads be sufficient. It is not enough to do these things today, when you have established for generations in the mind of the Negro that your company is a place that doesn't want him. You don't erase that impression simply by taking down the signs. You can only erase this ingrained, experience-taught attitude by aggressively going to the community and saying: 'We've changed,' and by hiring some real human symbols who will go out and witness to the fact that

you have changed. You don't have to do this in the white community, but you do have to in the Negro community. And unless you make the effort, you will not have Negro applicants. After all, who wants to invite rejection?"

Whitney M. Young  
—*Equal Opportunity* Memorial Edition,  
September, 1971

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**219. Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, February 16, 1979

SUBJECT

Affirmative Action Recruiting Efforts

I thought you would be interested in the following check-list on what we are doing to meet our Affirmative Action goals this year:

- |   |  |
|---|--|
| <p>1. <i>December 1978 Written Exam Takers:</i></p> <p style="padding-left: 40px;">ETS is now sending out letters to those minorities who passed the December 1978 exam seeking permission to release their names to us. When we receive them we will immediately send letters stressing the Department's affirmative action goals and enclosing security forms for them to fill out even before they have appeared for assessment. This should speed up security processing.</p> | <p style="text-align: right;"><i>Due Date</i></p> <p style="padding-left: 40px;">Letters to minorities who reply to ETS letter out by 3/23</p> |
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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 6, Chron February 7–16, 1979. No classification marking. Drafted on February 14 by Dudley Miller (PER/REE); cleared by Lynwood Eaton (PER/REE), and Gershenson, neither of whom initialed the clearance lines. Copies were sent to Ronald Palmer, Douglas Watson, Michael Durkee, Lynwood Eaton, Glenn Mabray, Thomas McCloskey, Wever Gim, and John Burroughs, Jr. Gershenson initialed the memorandum for Barnes.

- In addition, ETS will send letters to those who scored between 50 and 70 on the written exam, also seeking permission to release their names to us. When we receive them we will immediately send letters regarding the Affirmative Action Program and their eligibility for it.
- Letters to minorities who reply to ETS letter out by 3/23
2. *December 1977 Written Exam:*
- We are pushing those eight persons who scored in the 75–79 range last year to continue their candidacies.
3. *Previous Year Written Exam Passers:*
- We have identified at least three minorities who had passed both written and oral exams in previous years but whose candidacies expired. We are going to offer them Affirmative Action appointments based on the exams they have already passed.
- See possible follow up completed by 2/16
4. *Candidates in Pipeline:*
- Ongoing
- We are calling candidates in our pipeline every two weeks to indicate our interest and to encourage them to send security and medical forms for clearances and to do whatever else may be necessary to complete clearances. We have recently called all in the pipeline with complete applications in order to reaffirm our interest in their candidacies.
5. *Contact with SY on Clearances:*
- Ongoing
- We are in daily touch with SY regarding the progress of security clearances.
6. *Letters to Candidates in Pipeline:*
- 2/16
- We will this week send a letter to all the candidates in our pipeline reaffirming the four groups eligible

for the Affirmative Action Program and informing them of such changes in the program as removal of the Lateral Entry oral.

7. *Targetted Recruiting:*

Ongoing

REE recruiters recently visited a well-organized job fair at Rutgers University. Candidates had been previously screened regarding their employment interests. We gathered 41 resumes from potential candidates in both the Junior and Mid-Level Programs and gave out 76 Form-171's<sup>2</sup> for other potential candidates. Attached is a schedule of additional recruitment trips now in course or planned.<sup>3</sup>

8. *Alpha Phi Alpha Fraternity:*

One, possibly two, recruiters will attend the Alpha convention, which is the largest and oldest Black Fraternity in the Nation, on April 20-22.

9. *Letters to our Network of Campuses and Organization Contacts:*

2/21

Next week we will send a letter to our network of officials on campuses and in minority and women's organizations to provide information on changes in our programs and to stress our keen interest in receiving applications of qualified candidates as early as possible. Additional letters will be sent and phone calls made to individuals in selected areas to inform them of local recruiting activities.

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<sup>2</sup> SF-171 is the application form for Federal employment.

<sup>3</sup> Not attached.

10. *M/EEO and REE Contacts:* 2/16
- Combine M/EEO and REE community and national contacts to assure maximum coverage and avoid duplication.
11. *Staff for Special Programs Branch:* Done
- We have temporarily transferred two people from our General Recruitment Branch to our Special Programs Branch in order to provide necessary manpower for our Affirmative Action recruiting although it is necessary to cancel a few general recruiting trips as a result. We feel that it is necessary at this time.
12. *Press Release:* Done
- Mailed to 162 minority publications.
13. *Advertising:* 2/16
- Explore advertising in a syndicated column that will reach all the major minority newspapers
14. *Team Associates:*
- On February 12 REE met with Mr. Merion E. Solomon, President of Team Associates, Inc. in order to explain our recruiting needs and goals and to obtain a proposal from this firm to assist us in our recruiting. Team Associates (a minority-owned firm, certified as an 8(a) contractor) is well and favorably known to Frank Matthews who used them at ACTION. The firm continues to be responsible for recruiting for ACTION—both Vista and Peace Corps. It has worked with other government agencies such as the National Institute of Education, Health, Education and Welfare and
- Proposal studied, and if satisfactory approved and accepted by 3/1

the Department of Labor as well as a number of private firms. They have had long experience in minority recruiting. Mr. Solomon promised to have a proposal to REE by February 15 or 16. We plan to pursue this vigorously.

15. *Portable Display and Exhibit:* 2/13  
 Display depicting minorities and women has been requisitioned through Visual Services.
16. *Urban League:* Done  
 Department's recruitment effort placed on agenda for Urban League Regional Conference, February 14.
17. *Adding Points for Those on Register:* Awaiting L opinion  
 On February 5 we sent a memorandum to Lee Marks<sup>4</sup> urgently requesting a legal opinion on the concept of adding points to the register scores of qualified minority and women on BEX registers for FSO candidates. We are pushing L for a prompt answer which, if affirmative, will give us early access to at least seven minorities and a number of women.
18. *Transportation for Outstanding Candidates:*  
 We have decided to pay transportation to Washington and per diem, if necessary, for minority candidates who are classified as clearly outstanding. After a person is identified, we will remain in frequent telephone contact

Introduced and  
Ongoing

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<sup>4</sup> Not found.



until such documentation as college transcripts, an autobiography and the Form-171 are received. Upon decision that the candidate meets the outstanding criteria, we will offer to pay his/her way to Washington for an immediate assessment. Should the candidate pass, we will expedite security and medical clearances.

19. *Appointment of Minority Candidates:*

Introduced and  
Ongoing

We have altered procedures for offering jobs to minority candidates. Instead of waiting for regular junior officer orientation courses, we are offering firm appointments to minorities for both the junior and mid-level program as soon as they indicate they are ready to come on board. Work will be found for them until the next regular orientation class begins.

20. *Diplomats-In-Residence:*<sup>5</sup>

February 16

We have continued to brief and keep Diplomats-in-Residence informed of our Affirmative Action Programs but we are writing to them now to bring to their attention such changes as payment of transportation costs to Washington for outstanding candidates and our revised procedures for bringing

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<sup>5</sup> Diplomats in Residence are career Foreign Service officers assigned to colleges and universities throughout the United States.

minorities on board. We will pay particular attention to Ed Mulcahy in Atlanta who could well be a prime source.

21. *Special Letter to Deans of Certain Schools:*

We have long had a "special relationship" with Fletcher, Georgetown and SAIS. We are writing to the Deans of these schools reiterating interest in their minority students, soliciting their help in our Affirmative Action effort and offering to send recruiters to them at any time.

In addition, we are continuing to work closely with John Burroughs on recruitment and some of the suggestions in the above check-list are his. John has also made other suggestions on which we are now working.

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220. **Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs) to the Under Secretary of State for Management (Read)**<sup>1</sup>

Washington, March 26, 1979

SUBJECT

Minority Postings Overseas

We have not tracked minority assignments as a separate category, and therefore we cannot provide a pattern of overseas posting.

As you may recall, we were queried and responded to a complaint from Congressman Rangel about a year ago<sup>2</sup> on the lack of minority representation in policy-making positions in the posts he visited in the East Asian area. That study is attached.<sup>3</sup> Our census for the period

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 11, Chron March 20-26, 1979. No classification marking.

<sup>2</sup> See Documents 205 and 209.

<sup>3</sup> Not attached. Printed as an attachment to Document 209.

ending December 31, 1978 shows 366 minority employees serving overseas as FSOs, FSRs, FSRUs, FSSOs and FSSs. The breakdown by geographic region is as follows:

<i>AFRICA</i>		<i>LATIN AMERICA</i>	
<hr/>		<hr/>	
Blacks	50	Blacks	67
Hispanics	7	Hispanics	49
Asian Americans	<u>3</u>	Asian Americans	<u>5</u>
	60		121
 <i>EAST ASIA</i>		 <i>EUROPE</i>	
<hr/>		<hr/>	
Blacks	28	Blacks	46
Hispanics	8	Hispanics	37
—		Native Americans	1
Asian Americans	<u>26</u>	Asian Americans	<u>9</u>
	62		93
 <i>NEAR EAST</i>			
<hr/>			
Blacks		14	
Hispanics		6	
Native Americans		2	
Asian Americans		<u>8</u>	
		30	

Again, as was the case in the 1977 study, many Asian Americans were assigned to East Asia, Blacks to Africa and Hispanics to Latin America. On the face, this raises questions. However, when we consider such factors as open assignment, personal choice, needs of the service, etc., the postings may not be too far out of line from an EEO point of view. The number of black personnel assigned to Europe, for instance, is in the same ball park with the number of blacks assigned to Africa.

**221. Memorandum From the Under Secretary of State for Management (Read) to Secretary of State Vance<sup>1</sup>**

Washington, March 30, 1979

**SUBJECT**

Affirmative Action Program for the Handicapped

Even though Bob Gordon<sup>2</sup> outlined to you at the PER Staff Meeting, on March 22, some of the aspects of our Affirmative Action Program for the Handicapped, I think you might be interested in additional information on this matter. This memorandum summarizes the current status of this program.

As you are aware, the Rehabilitation Act of 1973,<sup>3</sup> amendments to it, other legislation and statements by the President and you have firmly committed us to an Affirmative Action Program for the Handicapped. Previous efforts devoted to this objective eventually encountered the same difficulty and dilemma, that is, the apparent incompatibility between such a program for the Foreign Service and the current medical standards which were designed to support the thesis of worldwide availability. Also relevant is the fact that these medical standards can also disqualify prospective employees if any of their dependents are unable to meet these standards. Medical standards present no problem as regards the Civil Service.

In deciding how to resolve this problem, I was presented with various options ranging from doing nothing to the complete elimination of our Foreign Service medical standards. Applicable law and ethics (as you said in your March 15, 1977 statement on this matter)<sup>4</sup> exclude the option of doing nothing. The complete elimination of our Foreign Service medical standards would cause an unnecessary and undesirable reduction in the ability of management to assign the vast majority of Foreign Service personnel to posts all over the world and might cause an unnecessary increase in medical costs. Therefore, I chose to approve a program which would evaluate whether applicants for employment in the Foreign Service have the potential to be successful Foreign Service employees, even though these applicants or their dependents have been disqualified medically under current medical standards. For this pur-

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 11, Chron March 27-30, 1979. No classification marking.

<sup>2</sup> Handicapped Coordinator in the Bureau of Personnel.

<sup>3</sup> P.L. 93-112.

<sup>4</sup> See the attachment to Document 186.

pose, I have established the Employment Review Committee which will make recommendations to the Director General or his designee whether or not applicants who do not meet our current medical standards should be employed.

For Foreign Service Officer candidates, these evaluations and recommendations will be made only after the Committee has received the results of their written and oral examinations and their security investigations. They will then be placed on the appointment register at the same position they would have been placed had there been no question of medical disqualification. This procedure may result in no severely handicapped individual being reached for appointment from the register. Therefore, this may require the establishment of a pilot project for the employment in the Foreign Service of severely handicapped individuals. Applicants for employment in the Foreign Service Staff Corps and Foreign Service Reserve Officer applicants who are not candidates for Foreign Service Officer appointment will be evaluated by the Employment Review Committee on an individual basis since they are not appointed from a register.

For the time being, we see no need for any significant increase in financial or personnel resources to implement this program. Part-time readers for the blind (approximately 15 hours per week) can be employed under current authority. Any modifications to government-owned or leased buildings to accommodate individuals confined to a wheelchair are required in any case by the Architectural and Transportation Barriers Act of 1968 (P.L. 90–480), as amended. These modifications are scheduled on a phased basis beginning with the Main State building. Special equipment for handicapped individuals will be decided on an individual basis, if required.

The complete action memorandum on which I based my decision is attached, in case you might wish to peruse it.

**Attachment****Action Memorandum From the Handicapped Coordinator in the Bureau of Personnel (Gordon) to the Under Secretary of State for Management (Read)<sup>5</sup>**

Washington, February 27, 1979

**SUBJECT**

Affirmative Action Program for the Handicapped

The Rehabilitation Act of 1973, amendments to it, other legislation, and statements by the President and the Secretary have firmly committed us to an Affirmative Action Program for the Handicapped. All efforts devoted to the objective of proposing an Affirmative Action Program for the Handicapped in the Department of State eventually encounter the same difficulty and dilemma, that is, the apparent incompatibility between such a program for the Foreign Service and the current medical standards which were designed to support the thesis of worldwide availability. Medical standards present no problem as regards the Civil Service.

Also relevant is the fact that these medical standards can also disqualify prospective employees if any of their dependents are unable to meet these standards. A separate proposal concerning this problem may have to be developed later.

Within this context various options are available: (A) modify current medical standards for the Foreign Service to permit the hiring of individuals and dependents with all types of medical problems, including severe physical handicaps; (B) maintain our current policy of disqualifying all prospective employees if they or any of their dependents do not meet the standards for worldwide availability at the time of employment; (C) establish an Employment Review Committee to evaluate all individuals qualified in all respects except for the fact that they or their dependents have not met current medical standards; (D) develop a pilot project aimed only at the severely handicapped with a waiver of current medical standards; (E) combine Options C and D if Option D does not result in

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<sup>5</sup> No classification marking. Drafted by Gordon on February 23; cleared by Gershenson, Nancy Rawls (DGP/PER), William Bacchus (DGP/PC), Kang Huang (DGP/PC), Burroughs, Bourbon, Paul Coran (L/M), Eben Dustin (M/MED), Dwight Babcock (M/MED), William Galloway (M), John Karkashian (M/CT), Thomas McCloskey (REM/EMP), Dudley Miller (PER/REE), Lynwood Eaton (PER/REE), Lawrence Russell (PER/MGT/EX), Douglas Watson (PER/FCA/ARA), and Wever Gim (REE/BEX). Sent through Barnes. Printed from an uninitialed copy.

the employment in the Foreign Service of some severely handicapped persons.

Option A would completely eliminate the concept of “worldwide availability” on medical grounds and cause an unnecessary and undesirable reduction in the ability of management to assign the vast majority of Foreign Service personnel to posts all over the world. In addition, it would probably increase greatly the cost of our medical program.

Option B would not be in keeping with pronouncements on the subject of an Affirmative Action Program for the Handicapped made by the President and the Secretary. Neither would it be in keeping with either the letter or spirit of the Rehabilitation Act of 1973, as amended, or expectations of groups representing the handicapped.

Option C has the merit of probably meeting the claims of alleged discrimination against candidates for Foreign Service employment who maintain that they did not have a thorough evaluation of their qualifications because the security investigation portion of their evaluation was terminated when they or their dependents were disqualified on medical grounds. (So far two individuals, one a medically disqualified FSO candidate and one a mid-level applicant with a medically disqualified dependent, have notified us that they may contest these disqualifications in the courts if the present State Department procedure continues.) In this Option there is the problem that the proposed ERC will face an extremely difficult task in reaching and justifying its recommendations concerning both relatively minor medical disqualifications and the severely handicapped.

Option D might provide some employment in the Foreign Service for the severely handicapped but it would not provide a mechanism to meet the allegations referred to in Option C.

Option E meets the spirit and letter of applicable laws, high-level statements on the subject and the hopes and expectations of various interest groups. It is costly since more security investigations and suitability evaluations will have to be made and there is the possibility that some medical expenses will increase. This latter cost is not now measurable and we cannot even speculate intelligently regarding it.

Attached hereto at Tab 1<sup>6</sup> is a paper discussing the implications of Option E and suggesting how it might be put into action. Attached at Tab 2 are the suggested Guidelines for the Employment Review Committee proposed at Tab 1.

Attached at Tab 3 are copies of the relevant portions of the Rehabilitation Act of 1973, a statement by the President and a statement by

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<sup>6</sup> Tabs 1–4 are attached but not printed.

the Secretary supporting prohibition of discrimination against the handicapped.

Attached at Tab 4 is a proposed letter to all applicants still eligible for appointment to the Foreign Service who have been disqualified because they or their dependents have not been able to meet current Foreign Service medical standards. This letter states that their candidacy will be reinstated if they so wish and cautions Foreign Service Officer candidates that this is but one step toward a possible successful candidacy. This letter would be sent to previously medically disqualified applicants if the proposal contained in Tab 1 is approved.

*Note:* The necessary changes in this letter will be made for FSS, FSR and FSRU candidates whose possible appointment does not depend upon their being reached on a register.

*Recommendation*

We recommend Option E and request that you meet with us soon to discuss the implications of this Option which is attached at Tab 1.

APPROVE—OPTION E \_\_\_\_\_<sup>7</sup>

DISAPPROVE \_\_\_\_\_

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<sup>7</sup> Read initialed this line on March 15.



**222. Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs) to the Acting Under Secretary of State for Management (Conlin)<sup>1</sup>**

Washington, April 18, 1979

SUBJECT

Request for Assistance in Locating Top-Level Managers to Attend Up-Coming "Executive EEO Seminar"

On April 24, F.S.I. will present a day-long management level EEO course for personnel in ICA and the State Department. This course was purchased at no small expense from a New York consulting firm, and is designed specifically for top-level managers. Frankly, response to FSI's course announcement has been not just disappointing—it is non-existent.

The course is limited to 30 people. ICA has nominated 15 top-level managers; for our side of the house, BEX is sending 10, M/EEO is sending the new Federal Women's Program Manager, and four slots remain unfilled. We're glad to see that BEX is sending so many people, because one of our key goals is to increase their EEO sensitivity and awareness. However, the need for increased sensitivity is just as great among the top-level managers of the other bureaus. Also, we need some feedback from bureau people to help us determine if this course represents money well spent.

Could you assist us by urging four top-level bureau managers to attend?

A copy of FSI's announcement is attached.<sup>2</sup> Mary Stitt of my staff or David McClintock of FSI are available should you or the nominees require further information.<sup>3</sup>

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 11, Chron April 18–23, 1979. No classification marking.

<sup>2</sup> Attached but not printed.

<sup>3</sup> Beneath the text, Burroughs wrote, "As you can see by the attached letter from Amb. Reinhardt, he has personally requested his top people to attend—thus some of ICA's area directors will be attending—" Reinhardt's letter is attached but not printed.

**223. Briefing Memorandum From the Acting Legal Adviser (Marks) to the Acting Under Secretary of State for Management (Conlin)<sup>1</sup>**

Washington, April 18, 1979

*Department Policy with Respect to Homosexuals*

Shortly before you came, the Department declined to grant a security clearance to a Stanford Law School student who was coming here as an extern because he was a homosexual. The student was an open homosexual; the case received extensive notoriety at Stanford. At one point, the Dean of the Stanford Law School telephoned Warren Christopher about the matter.<sup>2</sup> Because the security clearance was not granted, Stanford will no longer permit its students to serve as externs with the Department.

The incident focused attention on the Department's policy (or lack of policy) in this area and on the need to take a careful look at the question of homosexuality in light of current attitudes, court decisions, the needs of the foreign service, etc.

Ben<sup>3</sup> twice convened meetings to initiate a study of Department policy on homosexuality; the first meeting was cancelled because budget hearings intervened, and the second was a victim of Ben's hepatitis.

The cover story of this week's TIME magazine<sup>4</sup> is apt to focus more attention on this subject, particularly since it cites the foreign service as having officially abandoned discrimination against homosexuals two years ago.

I suggest that you convene the meeting that Ben had planned to convene.<sup>5</sup>

APPROVE \_\_\_\_\_<sup>6</sup>

DISAPPROVE \_\_\_\_\_

<sup>1</sup> Source: Department of State, Records of the Executive Secretariat, Information Management Section (S/S-I), 1979, Lot 81D117, Principal Memo File, April-May-June 1979. Unclassified. Copies were sent to John Thomas (A), Barnes, and Karl Ackerman (A/SY).

<sup>2</sup> See Document 217.

<sup>3</sup> Reference is to Ben Read.

<sup>4</sup> Reference is to "Sexes: How Gay is Gay?," *Time*, April 23, 1979.

<sup>5</sup> Michael Meyers, the extern denied a security clearance, corresponded with Warren Christopher on August 17, and sent Christopher a paper he wrote entitled "Security Clearances and Homosexuals: At the State Department?" The paper and the correspondence are in the National Archives, RG 59, Records of the Deputy Secretary of State, 1977-1980, Box 20, WC—Official Chron, 1979.

<sup>6</sup> Conlin signed on this line on April 20.

**224. Memorandum From the Legal Adviser for Management (Coran) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, June 6, 1979

SUBJECT

Status of Women FSO Class Action EEO Suits (*King v. Vance*; *Palmer v. Vance*)

Judge John Lewis Smith will hear arguments on June 13, 1979, concerning certification of the subject litigation as class actions pursuant to Rule 23, Federal Rules of Civil Procedure. In addition to the arguments of the Assistant U.S. Attorney and plaintiffs' counsel, the court will consider lengthy motions to certify class, oppositions thereto, and comprehensive affidavits supplied by the Department.

Assistant U.S. Attorney Dianne Sullivan, who is preparing to argue the matter on June 13, expects that the court probably will conditionally certify the class. In such an eventuality, plaintiffs and the Department would engage in extensive discovery. Following discovery and up until a final judgment is rendered, Judge Smith may decide to revoke the conditional certification.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 8, Chron June 1–6, 1979. No classification marking. Sent through Gershenson.

**225. Memorandum From the Deputy Director of the Office of Equal Employment Opportunity (Tanguy) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, June 27, 1979

SUBJECT

Questions for the FSO Written Entrance Examination

According to BEX, questions for the FSO Written Entrance Examination are devised by the Educational Testing Service (ETS) and Department working groups representing the four conal functions. Apparently, the initiative lies with the ETS, with our working groups responsible for reviewing and then accepting, modifying or rejecting each proposed question. It was not clear to me whether our working groups could propose questions to the ETS. If they are not doing this, I think they should consider the pros and cons of doing it.

I was also told that no question is repeated in the following year's examination. Conversely, some questions are used again after a two-or-three year interval. Presumably, our working groups have the opportunity to review these "repeaters," even though they were approved for a previous examination.

So much for the methodology. In my mind, there is still an important unanswered question: How job related are some of the abstruse or esoteric questions? The sample questions I have seen suggest that a certain number of the real questions are so specialized as to be unanswerable by all but a few. The net effect may be to pull down the overall score of a number of well-qualified candidates, who may thus not reach a high enough place on the register to have a realistic chance of being hired. If this conjecture is correct, the adverse impact would probably fall more heavily on minority candidates.

As you know, one of our basic EEO objectives is to increase the number of minority candidates who take and pass the written examination. In this connection, it is worth recalling that the 1965 "Clark Study"<sup>2</sup> of the selection, evaluation and promotion of FSO's found little or no correlation between the level of performance on the *written* exam and the promotion record or "success" of a Foreign Service officer. Is there any reason to believe that the correlation is any greater today, since the format of the written exam, I understand, is substantially the same?

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 7, Chron June 24-30, 1979. No classification marking.

<sup>2</sup> Not further identified.

In any event, it may be opportune to re-think what we are trying to accomplish with the written examination, and assess whether it fully serves our purposes in its present form and context.

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## 226. Message From Secretary of State Vance<sup>1</sup>

Washington, undated

### TO MY COLLEAGUES IN THE DEPARTMENT OF STATE

I met recently with members of the Executive Level Task Force on Affirmative Action to review developments in our Equal Employment Opportunity Program.<sup>2</sup> I was pleased to learn of the progress made so far to implement most of the Task Force's original 89 recommendations.<sup>3</sup> These recommendations cover the full range of personnel activities and decisions affecting minorities and women: recruitment, hiring, training, assignments, counseling, promotions and career development.

Additionally, the Department has reached five of the nine key EEO goals which I set for this fiscal year—an intensified recruitment effort based on cooperation with minority and women's organizations; increased emphasis on upward mobility for employees at the lower pay levels; the initiation of a vigorous, comprehensive Hispanic Employment Program; the formation of a Retention and Career Progression Study Group to address the various problems affecting the two EEO hiring programs; and expanded EEO awareness training at the Foreign Service Institute.

The recruitment and retention of qualified minority members and women are crucial to the success of our EEO program efforts. We have made progress in this area—but I am not yet satisfied that we are making enough. Last year, for the first time, the Department met its hiring goal for the affirmative action program for Junior Foreign Service Reserve Officers. Despite this there are only 161 (4.7%) minority FSO's. This represents an increase of just 1% in nearly two years. The rate of increase for women FSO's was also only 1% over the past two years.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 10, Chron August 3–11, 1979. No classification marking. A July 31 covering memorandum from Read to Vance indicates that Vance signed the message on August 6. (Ibid.)

<sup>2</sup> No minutes of this meeting were found.

<sup>3</sup> See Document 194.

Ten percent of the FSO Corps are now women, but this low rate of increase is unsatisfactory.

I am deeply committed to an aggressive affirmative action program for the Department. I am therefore asking all Seventh Floor Principals and Assistant Secretaries to become actively involved in equal opportunity.

We have accomplished a great deal in laying the groundwork for a comprehensive EEO program, but I need everyone's personal participation and commitment in achieving our fundamental goal of utilizing to the fullest the talents of every employee and making the Department and the Foreign Service better reflect the values and diversity of American society.

Cyrus Vance

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**227. Memorandum for the Record<sup>1</sup>**

Washington, October 11, 1979

SUBJECT

Women's Class Action Suit

A meeting was held in Bob Gershenson's office on October 10 to discuss the present status of the Department's defense and to plan for the immediate future; i.e., completing responses to interrogatories.

The following people attended:

Robert S. Gershenson, DGP/PER  
Hal Fuller, PER/MGT  
Geraldine Sheehan, PER/MGT/HRM  
David Simcox, M/MO  
Margaret Anderson, M/EEO  
Paul Coran, L/M  
Dennis Gallagher, L/M  
Richard Swann, U.S. Attorney's Office, Department of Justice  
Julia Albrecht, PER/MGT (temporary employee)  
Lawrence Lesser, DGP/PC

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978-1979, Box 9, Chron October 17-23, 1979. No classification marking. Drafted by Lawrence Lesser. Copies were sent to all participants in the meeting. Printed from an unsigned copy.

*Roy Nelson to begin working on case.* Mr. Gershenson informed the meeting that FSO-1 Roy Nelson is about to begin working on coordination of the various responses to the interrogatories required by the plaintiffs. He is expected to be available for at least the couple of months necessary to complete responses to the 167 interrogatories addressed to the Department. He will be working most closely with PER/MGT day to day.

*Responses to Interrogatories.* Of the 167 interrogatories addressed to the Department, replies have been officially communicated to the Court and plaintiffs for just 12 to date. Another 35 will be ready shortly.

In addition, the Department is objecting to 8 (so far), chiefly on the basis that they impose an unreasonable burden. That leaves more than 100 questions unaccounted for, mainly because the offices assigned action have not yet responded with draft replies or with a clear timetable for providing them. Many of these interrogatories involve data processing; others are pure narrative, describing present and historic practices and procedures.

In early September, the plaintiffs proposed a stipulated schedule<sup>2</sup> for responding to the interrogatories under which all replies would be available by late November. The Department has yet to respond to the stipulation because we haven't known what schedule we could actually meet. We must reply by next week, however, and we plan to commit ourselves to answering all interrogatories before the Christmas holiday season, except those to which we object.

*Quality of answers.* For recognized, legitimate reasons, some offices have not attached highest priority to the research and preparation of answers to interrogatories. REE, for example, was focused until a few days ago on recruiting for the 1979 FS exam. FCA was setting up open assignments. PE was managing selection boards. Those and other offices—including some outside of PER, such as M/MED and A/SY—must now understand the high stakes involved in this case and the necessity of giving highest priority to assembling excellent quality responses as quickly as possible. This may mean laborious checks of files going back to 1971, and checking directly with people familiar with the history of various personnel-related functions since that time. There are no shortcuts, however, especially considering that the plaintiffs know the system and its history as well as the defendants; indeed, they have already informally corrected inaccuracies in our submissions.

*Computer support.* A great deal of data still must be coded and fed into computers for use in responding to the interrogatories. A/ISO is being cooperative, but its resources are limited by a shortage of man-

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<sup>2</sup> Not found.

power (not of computer capacity). We are trying to get the necessary work for the WCAS done in large part with labor by Group Operations, the contractor. If that proves inadequate, other PER computer projects may have to be set aside until the interrogatories are completed.

*Strategy for consciousness-raising.* At the Director General's staff meeting on October 11, Messrs. Gershenson and Fuller will impress upon the office directors of PER the importance of the Interrogatories. Mr. Fuller will set up a meeting with non-PER office directors as soon as possible thereafter for the same purpose. The addition of Roy Nelson to the effort greatly improves our ability to obtain urgent cooperation. For the duration of the effort to respond to interrogatories, there will be weekly progress reports to Deputy Assistant Secretary Gershenson.

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## **228. Telegram From the Department of State to the Security Officer Collective<sup>1</sup>**

Washington, October 16, 1979, 2045Z

270359. SY Channel, for RSO from SAS. Subject: Homosexuality.

1. The Dept has established a committee to develop a policy regarding the employment of homosexuals.

2. Since one of the primary prerequisites for Foreign Service employment is the ability of an individual to favorably represent the United States, worldwide, SAS would like a short telegraphic summary addressing the following questions for each country served.

A. General legality of homosexual behavior.

B. Current enforcement trends—how actively is the law enforced?

C. Current judicial trends—what is the range of punishments imposed?

D. General appraisal of social acceptance, e.g., local nationals' view of foreigners, especially diplomatic personnel, engaged in homosexual activity.

3. At this preliminary stage, SAS does not wish the RSO to engage in time consuming legal research. We would like only the opinions of knowledgeable post personnel. Specifically include comments regard-

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<sup>1</sup> Source: National Archives, RG 59, Central Foreign Policy File, 1979. Limited Official Use. Drafted by John Drotos (A/SY/SAS); cleared by Verne F. St. Mars (A/SY/OPS), and David McCabe (A/SY/PSI); approved by Michael Coughlin (A/SY/SAS).



ing homosexual activity between consenting adults in private, soliciting for activity and opinion of host country nationals towards individuals who publicly announce their homosexual orientation. Please exclude activity involving minors and physical force. Priority handling of this request will be appreciated.

Vance

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**229. Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, October 22, 1979

SUBJECT

Correction in the Minority and Women Statistics for the 1979 Promotions

REF

Barnes-Read memorandum on the same subject of September 27<sup>2</sup>

Several errors in our statistics on women FSO promotions have been brought to our attention by M/EEO. The corrected figures are attached. They are essentially the same as those originally submitted except at class 2, where the only woman promoted had been overlooked. The correct figures, therefore, give a slightly more favorable picture of women FSO promotions this year.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 9, Chron October 17–23, 1979. No classification marking. Drafted on October 15 by Edmund DeJarnette (PER/PE); cleared by Gershenson and John Rouse (PER/PE).

<sup>2</sup> Not found.

**Attachment****Table Prepared in the Bureau of Personnel<sup>3</sup>**

Washington, undated

*A. WOMEN FSO PROMOTIONS FOR OCTOBER 1979*

<u>CLASS</u>	<u>NO. PROMOTED</u>	<u>NO. ELIGIBLE</u>	<u>% NO. ELIGIBLE</u>	<u>PROMOTION % FOR CLASS</u>
2	1	3	33.3%	20.0%
3	4	30	13.3%	13.6%
4	6	58	10.3%	17.9%
5	18	107	16.8%	25.0%
6	<u>20</u>	<u>76</u>	<u>26.3%</u>	<u>28.1%</u>
TOTAL	49	274	17.9%	20.5%

*B. WOMEN FSO PROMOTIONS COMPARED WITH PREVIOUS PROMOTIONS*

<u>OCT. 1979</u>				<u>OCT. 1978</u>		
<u>CLASS</u>	<u>NO. PROM.</u>	<u>% NO. ELIG.</u>	<u>% FOR CLASS</u>	<u>NO. PROM.</u>	<u>% NO. ELIG.</u>	<u>% FOR CLASS</u>
2	1	33.3%	20.0%	1	20.0%	9.3%
3	4	13.3%	13.6%	3	10.7%	7.4%
4	6	10.3%	17.9%	5	9.4%	11.5%
5	18	16.9%	25.0%	10	10.8%	14.7%
6	<u>20</u>	<u>26.3%</u>	<u>28.1%</u>	<u>14</u>	<u>17.9%</u>	<u>25.1%</u>
TOTAL	49	17.9%	20.5%	33	12.8%	13.4%

<u>FEB. 1978</u>				<u>MAR. 1977</u>		
<u>CLASS</u>	<u>NO. PROM.</u>	<u>% NO. ELIG.</u>	<u>% FOR CLASS</u>	<u>NO. PROM.</u>	<u>% NO. ELIG.</u>	<u>% FOR CLASS</u>
2	1	14.3%	4.1%	1	25.0%	21.2%
3	0	0%	4.0%	1	4.2%	14.0%
4	0	0%	3.5%	12	29.7%	19.5%
5	2	2.5%	2.5%	7	9.3%	19.0%
6	<u>8</u>	<u>11.3%</u>	<u>12.0%</u>	<u>7</u>	<u>11.7%</u>	<u>22.2%</u>
TOTAL	11	4.9%	4.7%	28	10.1%	18.8%

<sup>3</sup> No classification marking.

**230. Information Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to Secretary of State Vance<sup>1</sup>**

Washington, November 16, 1979

SUBJECT

Monthly Status Report on Affirmative Action Programs

In your recent meeting with the Executive Level Task Force on Affirmative Action,<sup>2</sup> you asked to be kept informed on a monthly basis of the progress of our two hiring programs. This is the first such report.

For the November Class, 6 Junior and 2 Mid-Level Officers have entered on duty. We are now in the process of extending offers to candidates for the January 1980 Class.

I have attached a summary of where we stand in our intensified efforts to enhance our recruitment and selection postures.

**Attachment**

**Report Prepared in the Office of Recruitment, Examination, and Employment, Bureau of Personnel<sup>3</sup>**

Washington, November 16, 1979

**AFFIRMATIVE ACTION PROGRAMS STATUS REPORT**

*I. AAJOP*

*A. Successful Candidate Pipeline*

Offers of Appointment:

Committed to EOD in November Class	6
Committed to EOD in January Class	1
Declined Offer	3
Offers Pending for January	3

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 9, Chron November 9–17, 1979. No classification marking. Sent through Read. Printed from an unsigned copy.

<sup>2</sup> No minutes of this meeting were found.

<sup>3</sup> No classification marking. Cleared by Gershenson, who did not initial the clearance line. Copies were sent to Burroughs, Gershenson, Ronald Palmer, Clint Lauderdale, Karl Ackerman.

*B. Short-Term Pipeline*

Pending:

Additional forms	19
Security	9
Medical	0
Final Review	8
Total Potential Candidates	<u>36</u>

*C. Long-Term Pipeline Status**1. "Recaptured" Exam and AAJOP Candidates*

(a) During last year's examination cycle a group of 20 minority written examination passers who scored in an "acceptable range" on the Assessment Center have been invited to pursue their candidacies through the AAJOP Program, without further assessment. Twelve candidates have been contacted by telephone and responded in the affirmative. The remaining 8 were sent letters.

(b) There were also 14 AAJOP candidates who likewise scored in the acceptable, but not passing, range. Nine candidates contacted by phone have agreed to retake the assessment during the 1980 cycle. We have sent mailgrams to the remaining 5.

*2. Direct Recruitment**(a) AAJOP Applications Since October 1*

Received	234
Rejected	35
Approved (forms requested)	177
Pending Review	22

*(b) Advertisement Program*

TEAM Associates, a minority firm, was contracted on June 1, 1979 to carry out a selective advertising campaign in minority and women's magazines and newspapers. Ads were placed in 119 publications, 95 newspapers with local distributions in cities throughout the United States, and in 24 magazines (including college placement manuals). As of November 14, we have tallied 6,050 written requests for special programs information. So far the effort has provided 47 AAJOP and 27 Mid-Level applicants.

*II. Mid-Level**A. Successful Candidate Pipeline*

Offers of Appointment:

Committed to EOD in November Class	2
Committed to EOD in January Class	1

Declined Offer	2	
Offer Pending for January	<u>2</u>	
<i>B. Short-Term Pipeline Status</i>	7	
Pending:		
Additional forms	2	
Security	6	
Medical	2	
Suitability	<u>1</u>	
Total Potential Candidates	11	

*C. Long-Term Pipeline Status (Since October 1)*

*1. Special Programs*

Applications		
Received		217
Rejected	79	
Approved	43	
Pending Initial Review Committee	95	

*2. Application Review Committee*

Received		32
Rejected	15	
Approved for Oral	7	
Pending Review	10	

*3. Board of Examiners—Mid-Level Oral Examination*

Received		17
Rejected	4	
Approved	3	
Withdrawals	0	
Pending Oral	10	

**231. Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, December 8, 1979

SUBJECT

Foreign Service Written Examination Cut Scores

Habib Committee recommendation B.5. was to give equal weight to the English Expression and Functional Background portions of the Foreign Service written exam.<sup>2</sup> That was the practice until 1977, when a decision was made to give greater weight (60–40) to English Expression. There were two main reasons for the change:

—Dissatisfaction with the English Expression skills of recently hired FSOs; and

—Concern that the 50–50 weighting had an adverse impact on the number of women passing the exam.

It is not yet possible to assess whether the scoring change has improved the quality of Foreign Service drafting, but it has clearly been successful in reducing the difference between men's and women's passing rates on the exam. Between 1976 and 1977, the percentage of women passers rose from 7 to 17, while that of men rose only from 19 to 22, erasing more than half of the difference in successful test performance.

While substantially improving the test performance of women, the change in weighting has only marginally affected the number of

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1978–1979, Box 9, Chron December 7–10, 1979. No classification marking. Drafted by Lawrence Lesser; cleared by Gershenson, Ronald Palmer, Michael Conlin, Burroughs, and Clint Lauderdale.

<sup>2</sup> The Habib Committee's report and recommendations were not found. Former Under Secretary of State for Political Affairs Philip Habib chaired the Committee to Review Recruitment and Examination for the Foreign Service, established: "(1) to consider whether existing entry requirements and procedures for new officers meet the needs of the Foreign Service and accord equal opportunity for all, and (2) to recommend changes in the requirements and procedures as deemed desirable or necessary." (Department of State *Newsletter*, March 1980, p. 18) The report was completed at the end of 1979, and 55 of the Committee's 63 recommendations were approved and endorsed by Secretary Vance. The remaining 8 were modified. The Committee wanted to make sure that the Foreign Service was representative of the United States, and to that end, it examined recruitment procedures, the written examination, the Affirmative Action Junior Officer Program, the Assessment Center, and the Affirmative Action Mid-Level Entry Program. For more on the Committee and its report, see "State Steps Up Its Efforts on Affirmative Action," and "Questions and Answers on Habib Committee Report," *ibid.*, pp. 16–19. See also Document 238. For a list of the report's recommendations, see Document 246.

minority candidates passing. The following table shows the results for the 1977 and 1978 exams, according to whether the 60–40 or 50–50 weighting is used.

	EE FB 60/40	%	EE FB 50/50	%	Difference at 60/40
December 1978					
Total passers	2,368	100.	2,462	100.	
Men	1,796	75.7	1,930	78.4	
Women	572	24.3	532	21.6	+40
-----					
Minorities	80	3.4	87	3.5	– 7
-----					
December 1977					
Total passers	2,333	100.	2,337	100.	
Men	1,717	73.6	1,792	76.7	
Women	616	26.4	545	23.3	+71
-----					
Minorities	58	2.5	63	2.7	– 5
-----					

(It is worth noting that almost all of the difference in minority pass rates is accounted for in the sub-categories of Hispanics and Asian-Americans, many of whom are not native speakers of English. Also note that the numbers above for minorities include some double counting that cannot easily be eliminated.)

Based on the above, it is fair to conclude that changing the weighting back to the pre-1977 practice would have an adverse impact for women, but little impact for minority candidates. It would be most unwise in the context of the Department’s defense in the women’s class action suit. A different device must be adopted to increase the number of minority exam passers. The Habib Committee has proposed use of a differential cut score (recommendation B.8.) and we agree that that method should be tried. The Board of Examiners for the Foreign Service has also agreed to employing a differential cut score, although with some reservations—apparently no other USG agency uses differential exam cut scores for affirmative action.

But regardless of what means is adopted, recommendation B.5. on re-weighting does not stand up to analysis and should be rejected.

**232. Memorandum From the Deputy Assistant Secretary for Equal Employment Opportunity (Burroughs) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, December 11, 1979

SUBJECT

Policy on Working Couples

The Foreign Service should recognize the advantages to be gained from the employment of working couples and seek to facilitate tandem assignments rather than discourage working couples by unnecessarily creating obstacles for them. The action memorandum of October 30, 1979<sup>2</sup> proposes a policy which would force one member of a working couple to accept leave without pay at the beginning of every new assignment as the only alternative to an assignment to a separate post. This policy would greatly discourage working couples and severely limit the number in the Foreign Service. The proposed policy could bring about a situation where one member or the other of the couple was always, or for the most part, on leave without pay. If this occurred, the situation would regress to pre-1971 conditions.<sup>3</sup> Employees cannot remain competitive in the Foreign Service when working only about half of the time.

Inequities for other employees caused by tandem assignments are perceived by some as a serious problem. In practice, every assignment of an employee to a position disadvantages all other qualified employees who sought that position. Does it really make any difference whether the final deciding factor among qualified candidates is school-age children, an employee's need for a certain type of experience, or making possible a tandem assignment? The Foreign Service gains from tandem assignments as it does from most other non-performance factors taken into consideration in making assignments.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 1, Chron Jan 10–11, 1980. No classification marking. Copies were sent to Conlin, Barnes, Ronald Palmer (M/DGP), Janet Lloyd (M/FLO), Walter Silva (PER/FCA), Arthur Woodruff (PER/FCA), and Douglas Watson (FCA/ARA).

<sup>2</sup> Not found.

<sup>3</sup> Reference is to the policy in place until 1971 that essentially forced working Foreign Service wives to forgo home leave by transferring them to a leave-without-pay status prior to their departure from post, which continued until arrival at the next post. See "Married Women Employees" in *Women in the Department of State* by Homer L. Caulkin, Department of State Publication 8951 (Washington: U.S. Government Printing Office, 1978), pp. 142–145.



Working couples are generally well aware that in the Foreign Service as elsewhere there are unavoidable problems involved in dual careers. They certainly must be prepared to accept the limiting factors which are likely to slow the advance of their careers and to force them to make hard choices (see attachment). The general rule is that the difficulties increase as one or both members of the couple achieve higher rank. A focus on individual assignments which ignores the existence of working couples, however, will deny Foreign Service employees any opportunity to choose between dual careers and individual career advantages.

We do not agree that there is any need to change the standard operating procedures for the assignment of working couples. If the interpretation given to the existing FAM provisions and the standard operating procedures has resulted in too much accommodation for working couples, changing the regulations and procedures to permit and encourage a return to the pre-1971 situation is not the solution. Working couples should be reminded of the unavoidable limitations affecting tandem assignments and the implementation of the existing procedures should be shifted to bring about the proper balance of interests.

Policy on working couples should be consistent. If the fact that employees are members of working couples is taken into consideration in making assignments, other provisions of the standard operating procedures should not view them solely as individuals. For example, some adjustments in present guidelines on allowances may be in order for a working couple assigned to the same post.

After a general review of the policy on working couples, we believe it would be useful to give wide distribution to a balanced presentation of the policy which would welcome and encourage working couples, but at the same time point out the unavoidable limitations.

## **Attachment**

### **Paper Prepared in the Office of Equal Employment Opportunity<sup>4</sup>**

Washington, December 6, 1979

#### *SOME LIMITING FACTORS FOR WORKING COUPLES*

—It will seldom be possible to achieve *optimum* assignments from a career development point of view for both members of a working

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<sup>4</sup> No classification marking.

couple at the same post. At least one member of a working couple must be prepared to accept less than optimum assignments which may be of lower rank, less interesting, less "career-enhancing" or "out of cone." Any decisions as to whether one member's career will take precedence at any given time or whether both will accept less than optimum assignments in order to share the disadvantage can only be made by the couple.

—The impossibility of providing *optimum* assignments at the same post for both members of a working couple can be expected to affect the career progress of one or both members of the couple.

—If the professional field of one member of the couple is highly specialized rather than a major Foreign Service career field, the assignment of both members of the couple to the same post will be possible less frequently than would otherwise be the case.

—If both members of the couple are officers, they must expect to meet serious difficulties in achieving tandem assignments overseas which are even moderately satisfactory when and if they both reach ranks of FSO/R-3/FSSO-1 or above. Strenuous attempts to provide tandem assignments in positions commensurate with the couple's ranks would force PER/FCA to give working couples undue preference for assignments to the larger posts. The difficulties in some cases may be able to be reduced by the assignment of one member of the couple to another agency.

—If one member of a working couple is assigned as a DCM, the other member cannot be assigned to a Department of State position at the same post except where required by overriding Service needs. Again, it may be possible on occasion to work out an assignment with another agency which forms part of the overall U.S. mission.

—If one member of a working couple is appointed as Chief of Mission, the other cannot be assigned to any position in an agency which forms part of that U.S. mission. In a few instances, an assignment with an international organization or a separate U.S. mission in the same city may be feasible. In most cases, however, the choices for the other member of the couple will be reduced to leave without pay or assignment to another post.

233. Table Prepared in the Department of State<sup>1</sup>

Washington, undated

DEPARTMENT OF STATE MINORITY FOREIGN SERVICE OFFICERS AND CAREER CANDIDATES 12/31/76–12/31/79						
	12/31/76			12/31/79		
	Total Pop.	Total Minorities	Percent	Total Pop.	Total Minorities	Percent
CA	1	—	—	—	—	—
CM	40	1	2.5	31	1	3.2
FSO–1	311	6	1.9	320	12	3.8
–2	305	10	3.3	302	7	2.3
Sub Total Senior Level	657	17	2.6	653	20	3.1
–3	615	17	2.8	704	21	3.0
–4	854	27	3.2	774	49	6.3
–5	627	68	10.8	579	60	10.4
Sub Total Middle Level	2,096	112	5.3	2,057	130	6.3
–6	340	20	5.9	474	14	3.0
–7	283	1	0.4	11	—	—
–8	85	—	—	—	—	—
Sub Total Junior Level	708	21	3.0	485	14	2.9
TOTAL FSO	3,461	150	4.3	3,195	164	5.1
	FSO/FSR–6, FSSO–4			575	78	13.6
	FSO/FSR–7			246	51	20.7
	FSO/FSR–8			50	18	36.0
	TOTAL JUNIOR OFFICERS (including Career Candidates) <sup>2</sup>			871	147	16.9
	TOTAL FSO AND CAREER CANDIDATES			3,581	287	8.3

NOTE: With an intake of 59 minority officers during FY '80 we expect that minority FSOs and Career Candidates will comprise approximately 10 percent of the FSO Corps.

<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 6, Chron August 25–30, 1980. No classification marking.

<sup>2</sup> Starting January 1978, Junior Officers are appointed as Career Candidates—FSR. [Footnote is in the original.]

234. Table Prepared in the Department of State<sup>1</sup>

Washington, undated

DEPARTMENT OF STATE  
WOMEN FOREIGN SERVICE OFFICERS AND CAREER  
CANDIDATES  
12/31/76–12/31/79

	12/31/76			12/31/79		
	Total Pop.	Total Women	Percent	Total Pop.	Total Women	Percent
CA	1	—	—	—	—	—
CM	40	1	2.5	31	—	—
FSO–1	311	10	3.2	320	7	2.2
–2	<u>305</u>	<u>8</u>	2.6	<u>302</u>	<u>10</u>	3.3
Sub Total Senior Level	657	19	2.9	653	17	2.6
–3	615	34	5.5	704	36	5.1
–4	854	56	6.6	774	66	8.5
–5	<u>627</u>	<u>85</u>	13.6	<u>579</u>	<u>107</u>	18.5
Sub Total Middle Level	2,096	175	8.3	2,057	209	10.2
–6	340	56	16.5	474	86	18.1
–7	283	54	19.1	11	3	27.3
–8	<u>85</u>	<u>18</u>	21.2	—	—	—
Sub Total Junior Level	708	128	18.1	485	89	18.4
TOTAL FSO	3,461	322	9.3	3,195	315	9.9

<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 6, Chron August 25–30, 1980. No classification marking.

JUNIOR OFFICERS INCLUDING CAREER CANDIDATES			
FSO/FSR-6, FSSO-4	575	115	20.0
FSO/FSR-7	246	57	23.2
FSO/FSR-8	<u>50</u>	<u>15</u>	<u>30.0</u>
TOTAL JUNIOR OFFICERS (including Career Candidates) <sup>2</sup>	871	187	21.5
TOTAL FSO AND CAREER CANDIDATES	3,581	413 <sup>3</sup>	11.5

<sup>2</sup> Starting January 1978, Junior Officers are appointed as Career Candidates—FSR. [Footnote is in the original.]

<sup>3</sup> An additional 73 women Mid and Junior level FSO Career Candidates have been taken in since 1/1/80 for a total FSO and Career Candidate population of 486 women (less attrition) by 10/1/80. This represents 12.7% of a total 3,830. [Footnote is in the original.]

235. Table Prepared in the Department of State<sup>1</sup>

Washington, undated

DEPARTMENT OF STATE  
MINORITY CIVIL SERVICE EMPLOYEES  
12/31/76–12/31/79

	12/31/76			12/31/79		
	TOTAL	TOTAL		TOTAL	TOTAL	
	POP.	MINORITIES		POP.	MINORITIES	
		<u>NO.</u>	<u>%</u>		<u>NO.</u>	<u>%</u>
FS	—	—	—	55	2	3.6
GS-18	3	—	—	—	—	—
-17	3	—	—	—	—	—
-16	<u>22</u>	<u>—</u>	<u>—</u>	<u>4</u>	<u>—</u>	<u>—</u>
Sub-Total Senior Level	28	—	—	59	2	3.4

<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 6, Chron August 25–30, 1980. No classification marking.

-15	109	10	9.2	99	10	10.1
-14	85	4	4.7	101	9	8.9
-13	128	14	10.9	155	22	14.2
-12	<u>147</u>	<u>34</u>	<u>23.1</u>	<u>177</u>	<u>45</u>	<u>25.4</u>
Sub-Total Middle Level	469	62	13.2	532	86	16.2
-11	262	94	35.9	267	94	35.2
-10	42	11	26.2	55	22	40.0
- 9	387	147	38.0	347	138	39.8
- 8	228	104	45.6	205	107	52.2
- 7	<u>463</u>	<u>221</u>	<u>47.7</u>	<u>492</u>	<u>199</u>	<u>40.4</u>
Sub-Total Junior Level	1,382	577	41.8	1,366	560	41.0
- 6	365	194	53.2	334	197	59.0
- 5	515	228	44.3	512	229	44.8
- 4	270	105	38.9	336	134	39.9
- 3	134	61	45.5	130	57	43.8
- 2	68	52	76.5	58	16	27.6
- 1	<u>9</u>	<u>7</u>	<u>77.8</u>	<u>17</u>	<u>8</u>	<u>47.1</u>
Sub-Total Support Level	1,361	647	47.5	1,387	641	46.2
TOTAL GS/ES	3,240	1,286	39.7	3,344	1,289	38.5

236. Table Prepared in the Department of State<sup>1</sup>

Washington, undated

DEPARTMENT OF STATE  
WOMEN EMPLOYEES—BY GRADE AND PAY PLANS  
ONE-YEAR STUDY

	12/31/78			12/31/79			PERCENT
	TOTAL	WOMEN	PER- CENT	TOTAL	WOMEN	PER- CENT	DIFFER- ENCE
COMBINED FOREIGN SERVICE AND CIVIL SERVICE							
SENIOR LEVEL							
CA	—	—	—	—	—	—	—
CM	38	—	—	31	—	—	—
FSO/R/RU-1 & ES, GS/GG-18/17	445	14	3.1	462	17	3.7	+ 0.6
-2                      -16	565	28	5.0	478	22	4.6	- 0.4
Sub Total Senior Level	1,048	42	4.0	971	39	4.0	—
MIDDLE LEVEL							
FSO/R/RU-3, FSSO-1 & GS/GG-15/14	1,260	115	9.1	1,352	118	8.7	- 0.4
-4            -2            -13	1,494	209	14.0	1,512	210	13.9	- 0.1
-5            -3            -12	1,574	352	22.4	1,627	373	22.9	+ 0.5
Sub Total Middle Level	4,328	676	15.6	4,491	701	15.6	—
JUNIOR LEVEL							
FSO/R/RU-6, FSSO-4 & GS/GG-11/10	1,743	563	32.3	1,742	553	31.7	- 0.6
-7            -5            -9/8	1,790	804	44.9	1,751	811	46.3	+ 1.4
-8            -6/7            -7	1,846	1,137	61.6	1,803	1,108	61.5	- 0.1
Sub Total Junior Level	5,379	2,504	46.6	5,296	2,472	46.7	+ 0.1
SUPPORT LEVEL							
FSS-8 & GS/GG-6	773	575	74.4	790	583	73.8	- 0.6
-9                      -5	643	481	74.8	697	520	74.6	- 0.2
-10            -4/3/2/1	622	504	81.0	585	469	80.2	- 0.8
Sub Total Support Level	2,038	1,560	76.5	2,072	1,572	75.9	- 0.6
GRAND TOTAL FS & GS	12,793	4,782	37.4	12,830	4,784	37.3	- 0.1
ALL FOREIGN SERVICE (FSO/R/RU AND FSS/FSSO)							
CA	—	—	—	—	—	—	—
CM	38	—	—	31	—	—	—
FSO/R/RU-1	440	14	3.2	407	9	2.2	- 1.0
-2	543	25	4.6	474	21	4.4	- 0.2
Sub Total Senior Level	1,021	39	3.8	912	30	3.3	- 0.5
-3/FSSO-1	1,059	81	7.6	1,130	77	6.8	- 0.8
-4            -2	1,336	155	11.6	1,340	150	11.2	- 0.4
-5            -3	1,397	265	19.0	1,438	278	19.3	+ 0.3
Sub-Total Middle Level	3,792	501	13.2	3,908	505	12.9	- 0.3

<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 6, Chron August 25–30, 1980. No classification marking. Source: PER/MGT/OS Quarterly Summary of Employment (Excluded are non-career Chiefs of Mission, FS/GS Unclassified, Consular Agents, Resident Staff, Wage Board, WAE, and Contract).

-6	-4	1,390	367	26.4	1,375	347	25.2	- 1.2
-7	-5	1,184	359	30.3	1,136	350	30.8	+ 0.5
-8	-6	749	370	49.4	688	327	47.5	- 1.9
	-7	570	349	61.2	552	335	60.7	- 0.5
Sub Total Junior Level		3,893	1,445	37.1	3,751	1,359	36.2	- 0.9
FSS-8		310	204	65.8	405	269	66.4	+ 0.6
-9		108	69	63.9	103	52	50.5	-13.4
-10		37	34	91.9	41	37	90.2	- 1.7
Sub-Total Support Level		455	307	67.5	549	358	65.2	- 2.3
TOTAL FS		9,161	2,292	25.0	9,120	2,252	24.7	- 0.3

FOREIGN SERVICE OFFICERS (FSO)

CA	—	—	—	—	—	—	—	—
CM	38	—	—	31	—	—	—	—
FSO-1	335	11	3.3	320	7	2.2	- 1.1	
-2	315	9	2.9	302	10	3.3	+ 0.4	
Sub Total Senior Level	688	20	2.9	653	17	2.6	- 0.3	
-3	683	40	5.9	704	36	5.1	- 0.8	
-4	773	57	7.4	774	66	8.5	+ 1.1	
-5	613	94	15.3	579	107	18.5	+ 3.2	
Sub Total Middle Level	2,069	191	9.2	2,057	209	10.2	+ 1.0	
-6 <sup>2</sup>	486	104	21.4	474	86	18.1	- 3.3	
-7 <sup>3</sup>	160	26	16.3	11	3	27.3	+ 7.0	
-8 <sup>4</sup>	11	3	27.3	—	—	—	—	
Sub Total Junior Level	657	133	20.2	485	89	18.4	- 1.8	
TOTAL FSO	3,414	344	10.1	3,195	315	9.9	- 0.2	

JUNIOR OFFICERS INCLUDING CAREER CANDIDATES

FSO/FSR-6, FSSO-4		575	115	20.0	(NOT
FSO/FSR-7	(NOT AVAILABLE)	246	57	23.2	AVAIL-
FSO/FSR-8		50	15	30.0	ABLE)
TOTAL JUNIOR OFFICERS		871	187	21.5	
(including Career Candidates)					
TOTAL FSO AND CAREER CANDIDATES		3,581	413	11.5	

FOREIGN SERVICE RESERVE (FSR)

FSR-1	49	3	6.1	39	2	5.1	- 1.0	
-2	119	11	9.2	70	5	7.1	- 2.1	
Sub Total Senior Level	168	14	8.3	109	7	6.4	- 1.9	
-3	178	15	8.4	209	15	7.2	- 1.2	
-4	270	35	13.0	265	30	11.3	- 1.7	
-5	430	72	16.7	406	63	15.5	- 1.2	
Sub Total Middle Level	878	122	13.9	880	108	12.3	- 1.6	

<sup>2</sup> Starting January 1978, Junior Officers were appointed as Career Candidates—FSR. [Footnote is in the original.]

<sup>3</sup> Starting January 1978, Junior Officers were appointed as Career Candidates—FSR. [Footnote is in the original.]

<sup>4</sup> Starting January 1978, Junior Officers were appointed as Career Candidates—FSR. [Footnote is in the original.]



-6	476	87	18.3	472	95	20.1	+ 1.8
-7	592	106	17.9	652	111	17.0	- 0.9
-8	130	24	18.5	149	29	19.5	+ 1.0
Sub Total Junior Level	1,198	217	18.1	1,273	235	18.5	+ 0.4
TOTAL FSR <sup>5</sup>	2,244	353	15.7	2,262	350	15.5	- 0.2

## FOREIGN SERVICE RESERVE UNLIMITED (FSRU)

FSRU-1	56	—	—	48	—	—	—
-2	109	5	4.6	102	6	5.9	+ 1.3
Sub Total Senior Level	165	5	3.0	150	6	4.0	+ 1.0
-3	146	16	11.0	166	15	9.0	- 2.0
-4	191	33	17.3	213	35	16.4	- 0.9
-5	173	48	27.7	269	57	21.2	- 6.5
Sub Total Middle Level	510	97	19.0	648	107	16.5	- 2.5
-6	183	39	21.3	211	44	20.9	- 0.4
-7	98	16	16.3	122	19	15.6	- 0.7
-8	8	—	—	4	1	25.0	+25.0
Sub Total Junior Level	289	55	19.0	337	64	19.0	—
TOTAL FSRU	964	157	16.3	1,135	177	15.6	- 0.7

## FOREIGN SERVICE STAFF (FSSO/FSS)

FSSO-1	52	10	19.2	51	11	21.6	+ 2.4
-2	102	30	29.4	88	19	21.6	- 7.8
-3	181	51	28.2	184	51	27.7	- 0.5
Sub Total Middle Level	335	91	27.2	323	81	25.1	- 2.1
-4 <sup>6</sup>	245	137	55.9	218	122	56.0	+ 0.1
-5	334	211	63.2	351	217	61.8	- 1.4
-6	600	343	57.2	535	297	55.5	- 1.7
-7	570	349	61.2	552	335	60.1	- 1.1
Sub Total Junior Level	1,749	1,040	59.5	1,656	971	58.6	- 0.9
-8	310	204	65.8	405	269	66.4	+ 0.6
-9	108	69	63.9	103	52	50.5	-13.4
-10	37	34	91.9	41	37	90.2	- 1.7
Sub Total Staff Support	455	307	67.5	549	358	65.2	- 2.3
TOTAL FSSO/FSS	2,539	1,438	56.6	2,528	1,410	55.8	- 0.8

## ALL CIVIL SERVICE (GS/GG)

ES <sup>7</sup>	—	—	—	55	8	14.5	—
GS/GG-18	2	—	—	—	—	—	—
-17	3	—	—	—	—	—	—
-16	22	3	13.6	4	1	25.0	+11.4
Sub Total Senior Level	27	3	11.1	59	9	15.3	+ 4.2
-15	101	16	15.8	109	21	19.3	+ 3.5
-14	100	18	18.0	113	20	17.7	- 0.3
-13	158	54	34.2	172	60	34.9	+ 0.7
-12	177	87	49.2	189	95	50.3	+ 1.1
Sub Total Middle Level	536	175	32.6	583	196	33.6	+ 1.0

<sup>5</sup> See FSO/Career Candidate Table. [Footnote is in the original.]<sup>6</sup> See FSO/Career Candidate Table. [Footnote is in the original.]<sup>7</sup> Effective 1979. [Footnote is in the original.]

-11	285	150	52.6	309	169	54.7	+ 2.1
-10	68	46	67.6	58	37	63.8	- 3.8
-9	361	246	68.1	401	282	70.3	+ 2.1
-8	245	199	81.2	214	179	83.6	+ 2.4
-7	527	418	79.3	563	446	79.2	- 0.1
Sub Total Junior Level	1,486	1,059	71.3	1,545	1,113	72.0	+ 0.7
-6	463	371	80.1	385	314	81.6	+ 1.5
-5	535	412	77.0	594	468	78.8	+ 1.8
-4	332	273	82.2	337	269	79.8	- 2.4
-3	175	142	82.6	131	102	77.9	- 4.7
-2	70	47	67.1	59	45	76.3	+ 9.2
-1	8	8	100.0	17	16	94.1	- 5.9
Sub Total Support Level	1,583	1,253	79.2	1,523	1,214	79.7	+ 0.5
TOTAL CS	3,632	2,490	68.6	3,710	2,532	68.2	- 0.4

CIVIL SERVICE (GS)

ES <sup>8</sup>				55	8	14.5	+14.5
GS-18	2	—	—	—	—	—	—
-17	3	—	—	—	—	—	—
-16	22	3	13.6	4	1	25.0	+11.4
Sub Total Senior Level	27	3	11.1	59	9	15.3	+ 4.2
-15	91	13	14.3	99	18	18.2	+ 3.9
-14	90	18	20.0	101	20	19.8	- 0.2
-13	144	49	34.0	155	55	35.5	+ 1.5
-12	166	82	49.4	177	87	49.2	- 0.2
Sub Total Middle Level	491	162	33.0	532	180	33.8	+ 0.8
-11	272	142	52.2	267	145	54.3	+ 2.1
-10	55	40	72.7	55	36	65.5	- 7.2
-9	333	230	69.1	347	243	70.0	+ 0.9
-8	212	179	84.4	205	174	84.9	+ 0.5
-7	485	384	79.2	492	396	80.5	+ 1.3
Sub Total Junior Level	1,357	975	71.8	1,366	994	72.8	+ 1.0
-6	344	287	83.4	334	274	82.0	- 1.4
-5	500	383	76.6	512	401	78.3	+ 1.7
-4	329	272	82.7	336	269	80.1	- 2.6
-3	175	142	81.1	130	102	78.5	- 2.6
-2	69	47	68.1	58	45	77.6	+ 9.5
-1	8	8	100.0	17	16	94.1	- 5.9
Sub Total Support Level	1,425	1,139	79.9	1,387	1,107	79.8	- 0.1
TOTAL GS	3,300	2,279	69.1	3,344	2,290	68.5	- 0.6

CIVIL SERVICE (GG)

GG-18	—	—	—	—	—	—	—
-17	—	—	—	—	—	—	—
-16	—	—	—	—	—	—	—
Sub Total Senior Level	—	—	—	—	—	—	—
-15	10	3	30.0	10	3	30.0	—
-14	10	—	—	12	—	—	—
-13	14	5	35.7	17	5	29.4	- 6.3
-12	11	5	45.5	12	8	66.6	+21.1
Sub Total Middle Level	45	13	28.9	51	16	31.4	+ 2.5

<sup>8</sup> Effective 1979. [Footnote is in the original.]

-11	13	8	61.5	42	24	57.1	- 4.4
-10	13	6	46.2	3	1	33.3	-12.9
-9	28	16	57.1	54	39	72.2	+15.1
-8	33	20	60.6	9	5	55.5	- 5.1
-7	<u>42</u>	<u>34</u>	<u>81.0</u>	<u>71</u>	<u>50</u>	<u>70.4</u>	<u>-10.6</u>
Sub Total Junior Level	129	84	65.1	179	119	66.5	+ 1.4
-6	119	84	70.6	51	40	78.4	+ 7.8
-5	35	29	82.9	82	67	81.7	- 1.2
-4	3	1	33.3	1	—	—	-33.3
-3	—	—	—	1	—	—	—
-2	1	—	—	1	—	—	—
-1	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Sub Total Support Level	158	114	72.2	136	107	78.7	+ 6.5
TOTAL GG	332	211	63.6	366	242	66.1	+ 2.5

## SUMMARY BY PAY PLAN

## FOREIGN SERVICE

CA	—	—	—	—	—	—	—
CM	38	—	—	31	—	—	—
FSO	3,376	344	10.2	3,164	315	10.0	- 0.2
FSR	2,244	353	15.7	2,262	350	15.5	- 0.2
FSRU	964	157	16.3	1,135	177	15.6	- 0.7
FSSO/FSS	<u>2,539</u>	<u>1,438</u>	<u>56.6</u>	<u>2,528</u>	<u>1,410</u>	<u>55.8</u>	<u>- 0.8</u>
TOTAL FOREIGN SERVICE	9,161	2,292	25.0	9,120	2,252	24.7	- 0.3

## CIVIL SERVICE

ES/GS	3,300	2,279	69.1	3,344	2,290	68.5	- 0.6
GG	<u>332</u>	<u>211</u>	<u>63.6</u>	<u>366</u>	<u>242</u>	<u>66.1</u>	<u>+ 2.5</u>
TOTAL CIVIL SERVICE	3,632	2,490	68.6	3,710	2,532	68.2	- 0.4
GRAND TOTAL	12,793	4,782	37.4	12,830	4,784	37.3	- 0.1

237. Table Prepared in the Department of State<sup>1</sup>

Washington, undated

DEPARTMENT OF STATE  
WORKFORCE CHANGE—BY SEX  
1969–79

	<u>TOTAL</u>	<u>MEN</u>		<u>WOMEN</u>	
TOTAL WORKFORCE (CS AND FS)					
12/31/69	12,899	8,279	(64.2%)	4,620	(35.8%)
12/31/79	12,830	8,046	(62.7%)	4,784	(37.3%)
Change	– 69	– 233		+ 164	
	(– 0.5%)	(– 2.8%)		(+ 3.5%)	
ALL CIVIL SERVICE (GS AND GG)					
12/31/69	3,329	1,238	(37.2%)	2,091	(62.8%)
12/31/79	3,710	1,178	(31.8%)	2,532	(68.2%)
Change	+ 381	– 60		+ 441	
	(+ 11.4%)	(– 4.8%)		(+ 21.1%)	
ALL FOREIGN SERVICE					
12/31/69	9,570	7,041	(73.6%)	2,529	(26.4%)
12/31/79	9,120	6,868	(75.3%)	2,252	(24.7%)
Change	– 450	– 173		– 277	
	(– 4.7%)	(– 2.5%)		(– 11.0%)	
FOREIGN SERVICE OFFICER AND CAREER CANDIDATE					
12/31/69	3,304	3,130	(94.7%)	174	(5.3%)
12/31/79	3,581	3,168	(88.5%)	413	(11.5%)
Change	+ 277	+ 38		+ 239	
	(+ 8.4%)	(+ 1.2%)		(+ 137.4%)	
FOREIGN SERVICE RESERVE AND FOREIGN SERVICE RESERVE UNLIMITED					
12/31/69	1,404	1,289	(91.8%)	115	(8.2%)
12/31/79	3,020	2,588	(85.7%)	432	(14.3%)
Change	+ 1,616	+ 1,299		+ 317	
	(+ 115.1%)	(+ 100.8%)		(+ 275.7%)	

<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 6, Chron August 25–30, 1980. No classification marking. Source: PER/MGT/OS Quarterly Summary of Employment (excluding non-career Chiefs of Mission, FS/GS Unclassified, Consular Agents, Resident Staff, Wage Board, WAE, and Contract).

FOREIGN SERVICE STAFF AND FOREIGN SERVICE STAFF OFFICERS

12/31/69	4,862	2,622	(53.9%)	2,240	(46.1%)
12/31/79	2,519	1,112	(44.1%)	1,407	(55.9%)
Change	– 2,343	– 1,510		– 833	
	(– 48.2%)	(– 57.6%)		(– 37.2%)	

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238. Paper Prepared in the Department of State<sup>1</sup>

Washington, January 14, 1980

SUMMARY OF ACTIONS BY SECRETARY VANCE ON HABIB  
COMMITTEE REPORT RECOMMENDATIONS

Secretary Vance has taken the following actions on the 63 recommendations of the Habib Committee Report on recruitment and examination of Foreign Service Officers.<sup>2</sup>

He approved the recommendations, subject only to the following modifications, amplifications or exceptions:

*A.2 Recruitment Organization.*

In line with the recommendation of the Habib Committee, a senior FSO, Clint Lauderdale (FSO–1), has been appointed to head the strengthened recruitment office with authority and responsibility for achievement of EEO goals. He will work closely with the DG and M, as well as the DAS’s in PER on these matters. Consideration has been given to adding a third DAS in PER to assume these duties, as suggested, but this step does not seem desirable or necessary at this time. M plans to hold regular biweekly meetings throughout 1980 to assess progress and problems with those in charge of the affirmative action and other recruitment efforts.

*B.5 Written Examination Weighting.*

Since 1977 the Department has given a 60–40 weighting advantage in favor of the English Expression section of the written exam over the Functional Background section to increase the number of women relative to men who pass the exam as well as to underscore the greater

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 1, Chron January 12–16, 1980. No classification marking.

<sup>2</sup> See footnote 2, Document 231.

need of communication skills. This weighting change increased the percentage of women passers from 7 to 17 from 1976 to 1977 but reduced minority passers from 2.7% to 2.5%. Because of the latter impact, the Habib Committee recommended return to the 50–50 equal weighting of the two sections which was SOP before 1977. With adoption of the minority differential proposal above and retention of the 60–40 weighting, however, it is estimated that 26% of all men would pass; 22.5% of all women; and 21% of all minorities—closer to equalization than achieved in the past; whereas a 50–50 weighting would reduce significantly (perhaps 40 persons) women passers and increase only negligibly minority passers. Therefore, it was decided that the 60–40 weighting between the English Expression and Functional Background sections of the test would be retained.

### *B.8 Written Examination—Differential Scoring for Minorities.*

The Habib Committee found that the best potential source of minority talent was the “near-pass” category of applicants for the Foreign Service written examination and recommended adoption of an unspecified system of differential scoring for minorities starting with the 1980 exam.

Each year the Department looks at the “raw scores” (a raw score of 45 is equivalent to the score of the top 10 percentile of those who take the Civil Service professional entrance exam). A “raw cut score” is then established which screens out about 4/5ths of the test takers and leaves the estimated desirable number of candidates eligible to take the oral assessment process. The raw cut score is then “converted” to constitute a converted pass score of 70. The eligible candidates are notified of their pass scores and about 65% eventually take the oral assessment center process, of which about 20–25% pass and are later listed on the approved intake register.

The Secretary approved raw cut scores for the December 1979 FSO written exam which would qualify about 2400, including about 215 minority persons with such scores estimated at approximately 57 for non-minorities and approximately 47 for minorities, with the raw cut scores thus to be converted to converted passing scores of 70.

### *C.1 Affirmative Action Junior Officer Program Goals.*

The Secretary set 47 as the FY 1980 goal of the program; the same as the FY 1979 goal of 43 plus 4 representing the shortfall in FY 1979. He deferred action on later year AAJOP goals.

### *D.3 Assessment Center Procedures.*

To help correct procedural deficiencies noted by the Habib Committee, the initial oral interview will be expanded from 45 minutes to

one hour and a quarter. At least two of the three examiners who assess candidates in the final “integration” session will participate in the initial oral interview.

*E.12 Mid-Level Affirmative Action Program Entrants: Conversion to FSO Status.*

There is full accord with the Habib Committee recommendations i.e., FSR’s with five year appointments who have come in through the Mid-Level Affirmative Action Program that: promotion by selection boards should constitute conversion to FSO status; that precepts for the selection boards should be considered which address the problem caused by the comparative lack of material in the Mid-Level FSR’s files; and that the second oral exam heretofore required for conversion be eliminated since actual performance is more important than any such test.

Eligibility for promotions should not be the sole test of eligibility for conversion, however; even career FSO’s are permitted time in classes 3–4–5 longer than five years. Since the inception of the Mid-Level program, promotion of such FSR officers during their five year appointments have been quite rare, and the five year limit could expire between annual selection boards.

Thus the Department will establish a special Commissioning and Tenure Board to review the files of all Mid-Level AA FSR’s periodically and to determine conversion to FSO status of such officers who have not been promoted.

*E.13 Mid-Level Affirmative Action Program: Class Entrants.*

The Committee recommended that FSR–3 entries through the mid-level program should be restricted to exceptional cases. Only 3 out of 50 mid-level entrants have come in at the FSR–3 level under this program since its inception in 1975. Present recruiting literature specifies that entry at FSR–3 level requires exceptional qualifications. There is no need to attempt to further restrict the use of this hiring level, and this recommendation was not adopted, because of its unintended and unnecessary potential negative impact on the image of the program.

*Post FY 80 Affirmative Action Program Goal.*

The Secretary deferred action on the recommendations of the report dealing with future fiscal year AA program goals, pending further study and consideration of an EEO study of merit goals.

*Resources.*

In response to the several recommendations calling for additional EEO manpower/funding resources, the decisions listed on the attach-

ment<sup>3</sup> have been made. Additional allocations will be considered as necessary.

Some of the recommendations to change procedures need to be presented for discussion with the Board of Examiners and for consultation with AFSA, and these discussions and consultations have begun in several instances.

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<sup>3</sup> Not found attached.

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**239. Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, March 6, 1980

SUBJECT

Women's Class Action Suit: Status Report

At the present stage of the suit's progress, the Department's defense appears to be in good shape. It is now the plaintiffs who are slow in meeting obligations. They have yet to respond to the interrogatories submitted to them, whereas we have completed response to the massive demands of their first set of interrogatories.

We have just received a second batch of 23 interrogatories concerning implementation of EEO action plans, the selection boards and rating procedures, the class-level designation of embassies as well as questions regarding our investigations of the specific complaints of the named plaintiffs, defense witnesses, and exhibits.

Our expert witness, Seymour Wolfbein of Temple University, has begun examining the wealth of data compiled by the Department in response to the first 167 interrogatories. The results in many areas show the Department in a favorable light. For example, during the period since 1971, when the complaint begins, the percentage of women FSO's has more than doubled, from 5 percent to more than 11 percent. They

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 2, Chron March 1-7, 1980. No classification marking. Drafted by Lesser and J. Albrecht (PER/MGT); cleared by Gershenson and Fuller.



have generally been promoted as rapidly as men, and they have spent an average time in class shorter than their male counterparts. Out of 111 FSO's selected out for time in class during the period, only one was a woman. In addition women more consistently than men are granted their preferences as to cone and geographic area of assignment.

On the Foreign Service written exam, women have not performed as well as men, particularly on the General Background and Functional Field portions of the test. Their different academic preparation explains much of the difference. On the oral exam, where evidence of bias would be expected to surface, the pass rates of men and women, year by year, are comparable. Thus a preliminary reading of our responses to plaintiffs' interrogatories is quite favorable to our defense.

Our attorney Diane Sullivan hopes to begin taking depositions from the named plaintiffs by April or May. She would like to communicate with members of the class represented by the plaintiffs before then, but there is an impasse over the terms of the proposed announcement to the class. Judge Smith may have to make a ruling on that issue so that the required announcement can go to all women FSO's describing the case in factual terms and offering them the option of remaining associated with the class action or of withdrawing individually from it. The question of the method of giving notice to the members of the class defined as "future female Foreign Service Officers" and "present and future applicants" has not been settled, nor have the rules governing communication with class members in preparation of our defense been established.

Judge Smith is likely to encourage the two parties to make another attempt to settle without going to trial, but the odds are that the case will be tried before the end of 1980.

**240. Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, March 18, 1980

SUBJECT

The Women's Class Action Suit and Numerical Goals for Women

The quality of M/EEO's numerical goals study<sup>2</sup> has been substantially improved in recent weeks. There are still technical questions, however, about some elements essential to the study. One question is the basis for defining an appropriate labor pool of female potential FSOs. The study now takes some account of the special nature of the Foreign Service—the need for worldwide availability, which reduces the number of women realistically available to become FSOs—but without meaningful supporting documentation.

There is also a policy issue still to be decided: does the present situation justify or require the adoption of numerical goals for women. Such goals, once adopted, will be burdensome and expensive to carry out. If the recent and present performance of the Department in this area is demonstrably satisfactory, it would be far preferable to monitor closely the situation of women in the Foreign Service, rather than to establish numerical goals.

The women's class action suit is another important factor to be considered, as follows:

(1) We have engaged as an expert witness for this case one of the nation's foremost labor economists, Dr. Seymour Wolfbein, formerly Deputy Assistant Secretary of Labor, and currently Dean of Temple University's School of Business Administration. As part of his preparation for giving testimony, Dr. Wolfbein's staff is evaluating the Department's performance in employing women in relationship to labor market availability. The M/EEO study examines precisely the same issue. Assuming that both studies are conducted in an equally competent and professional manner, they will still be unlikely to reach identical conclusions. I think we should not endorse numerical goals for women, at least until we see Dr. Wolfbein's proposed testimony.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 3, Chron March 15–18, 1980. No classification marking. Drafted by Lesser and Fuller; cleared by Gershenson, Clint Lauderdale (PER/REE), and R. Wiggins (DGP/PC). Copies were sent to Burroughs, John Gravely (M/MO), and Lauderdale.

<sup>2</sup> Not found.

(2) The Assistant U.S. Attorney handling our case, Diane Sullivan, is concerned that setting goals while the case is still pending may be used by the plaintiffs to attack us for past practices. Moreover, she is concerned that if the courts do find in favor of the plaintiffs, the judge might latch onto proposed or established goals as the appropriate remedy. In lieu of goals, we could find ourselves saddled with strict court-ordered quotas.

(3) It is questionable whether numerical goals for women are necessary to achieve our objective of having a Foreign Service fully representative of U.S. society. The basic data developed in association with the Women's Class Action suit (see my memo of March 6, 1980)<sup>3</sup> show that female FSOs as a group have fared quite well in the past 10 years. Their number has more than doubled; their promotion rates compare favorably with men's; they are almost never selected out; and their expressed preferences for geographical and functional cone assignments are honored more frequently than are men's. Our personnel policies have contributed to these trends, and it is reasonable to expect the trends to continue as long as these policies are retained.

Under these circumstances, it makes much better sense to *monitor closely* the situation of women in the Foreign Service than to establish numerical goals. The pending class action suit offers one more reason not to establish numerical goals for women at the present time.<sup>4</sup>

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<sup>3</sup> See Document 239.

<sup>4</sup> After a trial, the U.S. District Court found on September 13, 1985, that no unlawful discrimination had occurred and the case was dismissed. (*Alison Palmer, et al., Appellants v. George P. Schullz, As Secretary of State, Marguerite Cooper, et al., Appellants v. George P. Schultz, As Secretary of State*, 616 F. Supp. 1540 (D.D.C. 1985). An appeal to the U.S. Court of Appeals for the District of Columbia reversed that decision on March 24, 1987 (815 F.2d (D.C. Cir. 1987)), and sent the case back to the District Court. See "Foreign Service Women's Case Revived," *Washington Post*, March 25, 1987. In January 1989, the U.S. District Court ordered the Department of State to revamp its entrance examination and to offer women opportunities to bid for assignments they were denied because of discrimination. The Department estimated that approximately 600 women were affected by the decision. See "Foreign Service Dances to New Tune," *Washington Post*, April 21, 1989, and "Under Pressure, State Department Moves to End Its Sex Discrimination," *New York Times*, April 21, 1989.

**241. Memorandum From the Under Secretary of State for Management (Read) and the Assistant Secretary of State for Public Affairs and Spokesman (Carter)<sup>1</sup>**

Washington, March 18, 1980

TO

AF—Mr. Richard M. Moose  
ARA—Ambassador William G. Bowdler  
PM—Mr. Reginald Bartholomew  
EA—Mr. Richard Holbrooke  
EUR—Mr. George S. Vest  
NEA—Mr. Harold H. Saunders

SUBJECT

Habib Committee Report and the Scholar-Diplomat Program

As you know, the Habib Committee Report on recruitment and examination for the career Foreign Service received the Secretary's endorsement and commendation,<sup>2</sup> and was made available for general distribution on February 26. We encourage you to become familiar with it if you have not already done so. The overall thrust and basic conclusions of the Report will be of interest to all members of your staffs.

In the section dealing with an expanded recruitment effort by the Department, one of the recommendations (no. 9) is that the Scholar-Diplomat Program "should give preference to scholars from colleges and universities with heavy concentrations of minorities and women, and to minority and women scholars".

Since the final responsibility for selecting both the educational institutions and the participating scholars rests with the bureaus, you and your staff will have primary responsibility for implementing this recommendation. Both PA/PP and M/EEO will be able to assist you in re-orienting your bureau Scholar-Diplomat Program in the direction desired by the Habib Committee. John Burroughs' office will be mailing out the Program brochure to the presidents/chancellors of the 105 historically black colleges and of other colleges and universities with a large Hispanic enrollment. The brochure will also go to a large number of higher educational institutions with a predominantly female student body. We will ask the recipients to let the Department know if their institutions would be interested in participating in the Program. Those

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 3, Chron March 15–22, 1980. No classification marking.

<sup>2</sup> See footnote 2, Document 231 and Document 238.

responding positively will be asked to supply names of faculty members recommended for participation, including particularly women and minority persons.

As these lists are completed, they will be made available to you as a resource base in implementing recommendation no. 9 of the Habib Committee Report. PA/PP (Ilmar Heinaru) and M/EEO (John Burroughs, Charles Tanguy or Barbara Thomson) will, of course, be happy to offer you any further assistance or guidance. In any event, they will look forward to hearing from you on the results you obtain. As indicated in the second part of the recommendation, the Office of Recruitment will develop a follow-up with future “alumni” of the program as a means of broadening the Department’s recruitment efforts toward minority and women students.

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**242. Letter From the Under Secretary of State for Management (Read) to the Director of the Office of Government Employment, Equal Employment Opportunity Commission (Mathew)<sup>1</sup>**

Washington, March 22, 1980

Dear Mr. Mathew:

Enclosed is the Department of State’s Supplemental Affirmative Action Plan for the hiring, placement and advancement of handicapped individuals and disabled veterans for Fiscal Year 1980.

As requested, the Department of State will put special emphasis on the recruitment and placement of persons with specified severe disabilities under this Plan.

Sincerely,

**Ben H. Read<sup>2</sup>**

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 3, Chron March 15–22, 1980. No classification marking.

<sup>2</sup> Read signed “Ben Read” above this typed signature.

**Enclosure****Paper Prepared in the Department of State<sup>3</sup>**

Washington, March 22, 1980

SUPPLEMENTAL  
AFFIRMATIVE ACTION PROGRAM PLAN  
FOR THE HANDICAPPED  
FISCAL YEAR 1980

*I. Work Force Analysis, Goals and Timetable*

The Department of State has analyzed the available data on its work force, with special attention to the severe disability categories selected by the Equal Employment Opportunity Commission for emphasis during this transition year.

The total number of Department of State American employees as of December 31, 1979 was 13,527 (Civil Service and Foreign Service combined).

Based on voluntary employee self-identification questionnaires, the overall number of handicapped employees as of December 31, 1979 was 439. This represented 3.25% of the total American work force.

Of these, there were 41 employees in the targeted severely handicapped categories, which represented 0.30% of the total American work force.

The 41 severely handicapped employees are divided as follows, according to grade, type of occupation, and disability category:

Number	Grade	Type of Occupation	Disability Category
1	GS-10	Civil Service-Professional	16
1	GS-12	Civil Service-Professional	23
1	FSO-2	Foreign Service-Officer	23
2	FSS-8	Foreign Service-Staff	23
1	FSS-6	Foreign Service-Staff	23
1	GS-13	Civil Service-Professional	25
1	GS-7	Civil Service-Professional	25
1	GG-11	Civil Service-Specialist	28
1	GS-5	Civil Service-Clerical	32
1	FSO-2	Foreign Service-Officer	32
1	GG-4	Civil Service-Specialist	35
1	FSS-6	Foreign Service-Staff	64
1	FSRU-5	Foreign Service-Reserve Officer	65

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<sup>3</sup> No classification marking. Read signed the paper's title page.

2	FSS-4	Foreign Service-Staff	65
1	GS-15	Civil Service-Professional	67
1	GS-5	Civil Service-Clerical	67
1	FSS-3	Foreign Service-Staff	67
1	GS-12	Civil Service-Professional	75
1	GS-6	Civil Service-Clerical	75
1	GS-3	Civil Service-Clerical	76
1	FSR-7	Foreign Service-Reserve Officer	76
1	GS-7	Civil Service-Professional	82
1	GS-4	Civil Service-Clerical	82
1	FSRU-3	Foreign Service-Reserve Officer	82
1	FSO-4	Foreign Service-Officer	82
1	GS-13	Civil Service-Professional	91
1	FSO-2	Foreign Service-Officer	91
5	FSO-4	Foreign Service-Officer	91
2	FSR-4	Foreign Service-Reserve Officer	91
2	FSO-5	Foreign Service-Officer	91
1	FSR-6	Foreign Service-Reserve Officer	91
1	GS-15	Civil Service-Professional	92
1	GG-12	Civil Service-Specialist	92
41			

In accordance with the EEOC's emphasis this fiscal year on the severely handicapped, the Department of State has established a goal of increasing the number of employees in the targeted categories by 10% during the remaining months of FY-1980. All recruitment activities will be closely monitored to ensure maximum efforts to achieve this transition year goal.

## II. Plan for Special Recruitment Program

The Department of State faces an unusual problem in the recruitment of severely handicapped employees. As of December 31, 1979 some 68% of the Department's American positions were classified as Foreign Service, while only 32% were Civil Service.

The necessarily stringent Foreign Service medical standards make it difficult for the handicapped to qualify for overseas positions. However, in order to alleviate this problem, the Department of State has now established a special, senior-level Employment Review Committee to consider all medically-disqualified Foreign Service applicants for possible overseas service, despite their handicapping condition. This Committee meets at least monthly to review such cases.

During FY-1980, the Employment Review Committee already has approved the employment of several handicapped individuals, including one Foreign Service Officer in one of the targeted severely handicapped categories.

The Department of State's Foreign Service medical standards do not apply to its Civil Service positions. The Office of Recruitment continues actively to seek handicapped applicants, including the severely handicapped, for Civil Service positions for which they are qualified.

The following special recruitment activities will be carried out during the remainder of FY-1980:

(a) Increased public awareness that handicapped applicants are no longer automatically disqualified for consideration for Foreign Service positions.

(b) Provision of special facilities and/or arrangements to enable handicapped candidates to take the competitive written and oral examinations for Foreign Service officer appointments.

(c) Continued regular meetings of the Employment Review Committee to consider all medically disqualified Foreign Service candidates for possible appointment and overseas assignments.

(d) Continued contacts with Vocational Rehabilitation Counselors throughout the United States to seek qualified handicapped applicants for vacancies in Civil Service positions.

Accomplishments under this special recruitment program will be analyzed and reported as specified in future EEOC instructions.

### *III. Removal of Barriers; Goals and Timetable*

The Department of State has requested that the General Services Administration ensure that appropriate facilities at the Main Department of State building ("New State") are modified to make them accessible to handicapped employees and visitors, based upon surveys of the appropriate facilities.

To date, all necessary curb cuts have been completed, and lowered and amplified telephones have been installed at Main State.

GSA is contracting for the modification of elevators, the installation of electronic door openers, and the modification of drinking fountains and additional rest rooms at Main State. The elevator work is expected to be completed by May 31, 1980. The other modifications are expected to be completed by December 31, 1980.

In addition, GSA is negotiating with the landlords of various leased Annex buildings to have the landlords make similar modifications to those buildings in conjunction with lease renewals.

Thus far, modifications have been made to two buildings, State Annex #1 (Columbia Plaza) and State Annex #3 (Foreign Service Institute).

The Department of State will make every effort to obtain similar modifications to other leased Annex buildings as soon as possible.

### **AFFIRMATIVE ACTION PROGRAM PLAN ON EMPLOYMENT OF THE HANDICAPPED**

#### *Statistical Data*

1. Total number of all employees as of December 31. (Include full-time permanent and all others.).....13,527



- 2. Total number of all handicapped employees as of December 31. This number includes only those disabled veterans with reportable handicaps. ....439

*Other*

- 1. Number of agency component activities and field establishments having appointing authority. ....0
- 2. Percentage of time spent by agency-wide Coordinator for Selective Placement in managing the program. .... 100%  
Secretarial assistance (3 days a week). .... 100%  
Selective Placement Coordinators. .... 10%
- 3. Number of coordinators designated in all component agency activities.....0

(NOTE: The Department of State has no component agencies within the meaning of this item.)

AFFIRMATIVE ACTION PROGRAM PLAN ON EMPLOYMENT OF  
DISABLED VETERANS

*Statistical Data as of December 31.*

<i>Veteran Status</i>	<i>No. in Work Force</i>	<i>No. Handicapped</i>
10-point compensable	76	18
10-point noncompensable	99	13
5-point	5160	163

**243. Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to Secretary of State Vance<sup>1</sup>**

Washington, April 4, 1980

SUBJECT

Trends in FSO Minority Representation

You asked me to send you the figures I had used in our Affirmative Action meeting April 2,<sup>2</sup> with regards to trends in minority representation in the Foreign Service Officer Corps.

I mentioned that at the beginning of 1977 5.9% of our FSOs and FSO candidates were minorities. At the beginning of 1980 that figure stands at 8.3%. By way of illustrating the results of the emphasis we have put on affirmative action, I also gave the following figures for the Junior Officer ranks (as of the end of 1979):

<sup>3</sup> 0-6	13.6%
<sup>4</sup> 0-7	20.7%
<sup>5</sup> 0-8	36.0%

With regard to the proportion of women, the corresponding figures are:

0-6	20.0%
0-7	23.0%
0-8	30.0%

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 3, Chron March 31–April 5, 1980. No classification marking. Sent through Read, who did not initial the memorandum. Drafted by Barnes on April 3. Copies were sent to Gershenson, Palmer, Andrew Steigman, Burroughs, and Lauderdale. A typed notation at the top of the page indicates that the information was “handled orally.”

<sup>2</sup> No minutes of this meeting were found.

<sup>3</sup> FSO and FSR Career Candidates. [Footnote is in the original.]

<sup>4</sup> FSO and FSR Career Candidates. [Footnote is in the original.]

<sup>5</sup> FSO and FSR Career Candidates. [Footnote is in the original.]

**244. Memorandum From the Director General of the Foreign Service and Director of Personnel (Barnes) to the Executive Assistant to the Secretary of State (Billings)<sup>1</sup>**

Washington, May 27, 1980

SUBJECT

Minority Group Members and Women Serving in High Level Positions

Attached are the lists you requested of minority group members and women serving as Ambassadors and at the Deputy Assistant Secretary level and above. I am also attaching comparable lists for January 1977.

**Attachment 1**

**List Prepared in the Bureau of Personnel<sup>2</sup>**

Washington, May 21, 1980

*AMBASSADORS as of May 21, 1980*

Black	Ulric St. Clair Haynes, Jr. (NC) Algeria
	Horace G. Dawson (C) Botswana
	Anne Forrester Holloway (NC) Mali
	O. Rudolph Aggrey (C) Romania
	Terrence A. Todman (C) Spain
	Donald F. McHenry (NC) USUN
	H. Carl McCall (NC) USUN
	W. Beverly Carter (C) Ambassador at Large
	Barbara Watson (NC) Malaysia (designate)
	Walter Carrington (NC) Senegal (designate)
	David B. Bolen (C) German Democratic Republic (successor designated)
	William Bowdoin Jones (C) Haiti (successor designated)
	Wilbert John Le Melle (NC) Kenya (successor designated)
	_____ Malawi (under consideration)

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 4, Chron May 26–June 1, 1980. No classification marking. Drafted on May 21 by Barnes. Sent through Read, who did not initial the memorandum.

<sup>2</sup> No classification marking. A typed note on the original reads: “NOTE: (C) Career; (NC) Non-career.”

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Women	<p>Sally Angela Shelton (NC) Barbados, Grenada &amp; Dominica</p> <p>Anne Cox Chambers (NC) Belgium</p> <p>Patricia M. Byrne (C) Burma</p> <p>Nancy V. Rawls (C) Ivory Coast</p> <p>Anne Forrester Holloway (NC) Mali</p> <p>Joan Margaret Clark (C) Malta</p> <p>Geri M. Joseph (NC) Netherlands</p> <p>Anne Clark Martindell (NC) New Zealand</p> <p>Marilyn Priscilla Johnson (C) Togo</p> <p>Barbara W. Newell (NC) UNESCO</p> <p>Joan Edelman Spero (NC) USECOSOC</p> <p>Frances Cook (C) Burundi (designate)</p> <p>Barbara Watson (NC) Malaysia (designate)</p> <p>Theresa A. Healy (C) Sierra Leone (designate)</p> <p>Mari-Luci Jaramillo (NC) Honduras (successor designated)</p> <p>Nancy Ostrander (C) Suriname (successor designated)</p>
Hispanic	<p>Raymond E. Gonzalez (C) Ecuador</p> <p>Julian Nava (NC) Mexico</p> <p>Abelardo L. Valdez (NC) Chief of Protocol for the White House</p> <p>Raul H. Castro (NC) Argentina (leaving in August)</p> <p>Frank V. Ortiz, Jr. (C) Guatemala (successor designated)</p> <p>Mari-Luci Jaramillo (NC) Honduras (successor designated)</p> <p>——— Malagasy Republic (under consideration)</p>
American-Indian	Larry G. Piper (C) Gambia (designate)
Handicapped	Robert C. F. Gordon (C) Mauritius

**Attachment 2**

**List Prepared in the Bureau of Personnel<sup>3</sup>**

Washington, May 21, 1980

*MINORITY GROUP MEMBERS AT THE DEPUTY ASSISTANT  
SECRETARY LEVEL AND ABOVE  
as of May 21, 1980*

*ASSISTANT SECRETARY*

CA	—	Diego Asencio (C) (designate)
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*DEPUTY ASSISTANT SECRETARY*

DGP/PER	—	Ronald D. Palmer (C)
M/EEO	—	John A. Burroughs, Jr. (C)
S/IG	—	Richard K. Fox (C)
ARA	—	Ralph Guzman (NC)
AF	—	Mabel M. Smythe (NC)

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<sup>3</sup> No classification marking.

**Attachment 3****List Prepared in the Bureau of Personnel<sup>4</sup>**

Washington, May 21, 1980

*WOMEN SERVING AT THE DEPUTY ASSISTANT  
SECRETARY LEVEL AND ABOVE  
as of May 21, 1980*

*COUNSELOR*

Rozanne L. Ridgway (C)

*ASSISTANT SECRETARY*

CA	—	Barbara Watson (NC) (successor designated)
HA	—	Patt Derian (NC)
INM	—	Mathea Falco (NC)

*DEPUTY ASSISTANT SECRETARY*

A	—	Virginia M. Schafer (C)
AF	—	Carol J. Lancaster (NC)
		Mabel M. Smyth (NC)
CA	—	Elizabeth J. Harper (C) (retiring shortly)
		Ruth A. McLendon (C) (being assigned abroad)
EA	—	Evelyn S. Colbert (C) (retiring shortly)
EUR	—	Sharon E. Ahmad (C)
H	—	Peggy H. Lampl (NC)
INR	—	Carol E. Baumann (NC)
NEA	—	Jane A. Coon (C)
IO	—	Sarah Power (NC) (designate)

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<sup>4</sup> No classification marking.

**Attachment 4**

**List Prepared in the Bureau of Personnel<sup>5</sup>**

Washington, undated

*Minority Ambassadors as of January 1, 1977*

*Black*

Theodore R. Britton, Jr.	Barbados and Grenada
Terence A. Todman	Costa Rica
O. Rudolph Aggrey	Senegal and The Gambia
W. Beverly Carter, Jr.	Liberia
Charles A. James	Niger
Ronald D. Palmer	Togo

*Women*

Melissa F. Wells	Guinea-Bissau and Cape Verde
Rosemary L. Ginn	Luxembourg
Patricia M. Byrne	Mali
Marquita M. Maytag	Nepal
Mary S. Olmsted	Papua New Guinea
Anne Legendre Armstrong	Great Britain
Nancy V. Rawls	USUN

*Hispanic*

Phillip V. Sanchez	Colombia
Ignacio E. Lozano, Jr.	El Salvador
Joseph J. Jova	Mexico

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<sup>5</sup> No classification marking.

## Attachment 5

### List Prepared in the Bureau of Personnel<sup>6</sup>

Washington, May 23, 1980

*MINORITY GROUP MEMBERS AT THE DEPUTY ASSISTANT  
SECRETARY LEVEL AND ABOVE  
AS OF JANUARY 1, 1977*

*ASSISTANT SECRETARY*

PA — John E. Reinhardt (C)

*DEPUTY ASSISTANT SECRETARY*

AF — David B. Bolen (C)

M/EEO — Samuel M. Pinckney Jr. (C)

*DEPUTY EXECUTIVE SECRETARY*

S/S — Frank V. Ortiz Jr. (C)

## Attachment 6

### List Prepared in the Bureau of Personnel<sup>7</sup>

Washington, May 23, 1980

*WOMEN SERVING AT THE DEPUTY ASSISTANT  
SECRETARY LEVEL AND ABOVE  
AS OF JANUARY 1, 1977*

*ASSISTANT SECRETARY*

S/CPR — Shirley Temple Black (NC)

M/DGP — Carol C. Laise (C)

*DEPUTY ASSISTANT SECRETARY*

PA — Virginia R. Allan (NC)

OES/O — Rozanne L. Ridgway (C)

CU — Patricia S. Lindh (NC)

USUN — Nancy V. Rawls (C)

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<sup>6</sup> No classification marking.

<sup>7</sup> No classification marking.



**245. Memorandum of Conversation<sup>1</sup>**

Washington, September 3, 1980, 10:30 a.m.

Record of Secretary Muskie's First Meeting with  
the Executive Level Task Force  
On Affirmative Action

Secretary Muskie, announcing that he was pleased to open the meeting with a happy note, presented the Superior Honor Award to Deputy Assistant Secretary John A. Burroughs, Jr., for his significant work in furthering the EEO and Affirmative Action program of the Department. The Secretary then stated that he was also pleased to welcome Vivian Derryck as John Burroughs' replacement, which is to take place upon the expected departure of John Burroughs as Ambassador to Malawi. The Secretary said that he had thoroughly reviewed Ms. Derryck's career and qualifications and selected her because she is very highly qualified. Ms. Derryck expressed her pleasure in joining the Department and stated that she was looking forward to furthering the ideals and goals of Equal Opportunity and Affirmative Action.

*Progress and Problems*

Before commenting on progress and problems in general, Mr. Read took the moment to affirm his appreciation for and recognition of the superior work of John Burroughs. Mr. Read said that he was intimately aware of the long hours and hard work performed by John Burroughs since he joined the Department in 1977. Mr. Read remarked that during this time, the number of minority officers in the Foreign Service had doubled, the number of women in the Service had increased by 50 percent, a program for the disabled and handicapped had been established, and there was progress in the effort to increase minority business contracting.

While reciting these progressive and positive aspects of EEO and Affirmative Action, Mr. Read emphasized that there was still much "catching up" remaining—primarily because of the long history of neglect and past discrimination—as well as attitudinal problems still needing correction. He cited the Hispanic record as a serious blemish—with Hispanics representing only 1.8 percent of the Foreign Service.

Mr. Read went on to say that some attitudinal problems still persist in the Department which impede the institutionalization process of

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 6, Chron September 1–6, 1980. No classification marking. The meeting took place in the Secretary's Conference Room.

Affirmative Action. Mr. Read said that EEO must be a part of the machinery of the Department of State and not just a concern of management. John Burroughs interjected the comment that there was a real need for more minorities at the Deputy Assistant Secretary level, and that we have a policy whereby bureaus that do not have a minority DAS must consider minorities for such positions as they become vacant. The Secretary indicated that he would like to continue such a policy.

*Women and Minorities: Profiles, Trends, and Goals*

John Burroughs pointed out that at the policy level the number of women has increased substantially in recent years. Currently, there are 11 women serving as chiefs of mission, and three more nominated, and 15 women in the Department at the Deputy Assistant Secretary level and above. There are 12 minority ambassadors (9 Black, 2 Hispanic and one Native American) and eight minorities in the Department at the Deputy Assistant Secretary level and above (4 Black, 3 Hispanic and one Asian-American). Mr. Burroughs pointed out, however, that recent changes had reduced the number of Hispanic ambassadors to two, Ambassador Gonzalez in Ecuador and Ambassador Nava in Mexico.<sup>2</sup> The Hispanic community has expressed dissatisfaction over this situation and the issue has repeatedly surfaced at recent conferences of Hispanic organizations.

Ambassador Barnes summarized the Junior Officer and Mid-Level Affirmative Action Hiring programs, stating that the Junior Officer goal for this fiscal year was 47, and that we would meet or exceed the goal by the end of the fiscal year. He went on to say that we would fall short of the Mid-Level goal of 33 but expected about 25 Mid-Level hires this fiscal year. Ambassador Barnes pointed out that we have more of a problem finding Mid-Level candidates.

The Secretary asked, "how is outreach for recruitment of Foreign Service examination candidates conducted?" Ambassador Barnes responded by describing a variety of approaches and methods, including recruitment trips and participation at conferences held by minority and women's groups. The Secretary asked if a video tape by him on the Foreign Service and the Department's commitment to EEO would be helpful. The Secretary's suggestion was enthusiastically received, as was his offer to assist our recruiting efforts in other ways through his public appearances. The Secretary then asked what was the status of Hispanics. He stated that he was approached directly on the subject

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<sup>2</sup> Reference to Raymond Gonzales and Julian Nava, respectively.

by Hispanic leaders during the recent American GI Forum of the U.S. conference which he addressed on the West Coast.<sup>3</sup>

George Del Valle, Hispanic Affairs Coordinator, answered that there was initiative and improvement but there was a long way to go. The Secretary remarked that judging by the figures, he agreed.

Mary Stitt, Acting Federal Women's Program Manager, reported on the status of women in the Foreign and Civil Service. She stated that women FSO's had increased by 137 percent over the last ten years, with the most significant increase taking place in the last three or four years. As for the Civil Service, Ms. Stitt reported that women outnumber the men two-to-one, but that could not be considered a completely positive sign since they were so heavily concentrated at the lowest levels; for example, women constitute 75 percent of the employees at GS grades 1–6. She explained that the Department has embarked on stronger Upward Mobility efforts and external recruitment drives to change this imbalance.

Ambassador Barnes then outlined the Department's Upward Mobility Program for Civil Service employees and mentioned that the Secretary's help might be needed at a later stage to provide still further impetus to our overall recruiting efforts.

#### *Recommended FY–81 Goals*

Mr. Read recommended that the FY–1981 goal for the AAJOP be set at 40, or 20 percent of the incoming class, whichever is greater. Further, Mr. Read recommended that the Mid-Level goal again be set at 33. There was some discussion about setting a lower Mid-Level goal of 25 or 30. The Secretary, however, approved both intake goals as recommended by Mr. Read.

#### *Federal Equal Opportunity Recruitment (Civil Service) and Upward Mobility Programs*

Deputy Assistant Secretary Ronald D. Palmer reported on the Federal Equal Opportunity Recruitment Program (FEORP) and Civil Service Upward Mobility Programs. Ambassador Palmer briefly explained the concept and history of the Federal Equal Opportunity Recruitment Program or "FEORP," which applies to our Civil Service workforce. Ambassador Palmer pointed out that Federal agencies are required to target recruiting for minorities for "mainstream" occupations where there is significant underrepresentation. He stated that we had conducted an analysis of our Civil Service workforce in comparison to the national Civilian Labor Force, selected our most populous "mainstream" occupa-

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<sup>3</sup> Muskie addressed the American G.I. Forum, a group of Hispanic veterans, in Los Angeles on August 7.

tions, submitted our first FEORP plan<sup>4</sup> to the Office of Personnel Management, and were now awaiting comments from OPM on our plan.

Mr. Read, calling attention to the limited remaining time the Secretary could give to the meeting, stated that the Secretary had the briefing material included with the agenda,<sup>5</sup> and asked that further comments be very brief.

The remaining agenda items were, therefore, presented in capsule form for the Secretary's information, as follows:

(a) Women's FSO Class Action Suit—Deputy Legal Advisor Jim Michel

(b) Affirmative Action Aspects of the Foreign Service Bill—William Bacchus, PER

(c) Program for the Handicapped—Frontis Wiggins, PER

(d) EEO Training—Paul Boeker, Director of FSI

(e) Status of Minority Contracting—Tom Tracy, Assistant Secretary for Administration

(Recommended FY 1981 contracting goal of \$4.5 million was approved.)

In his closing remarks, the Secretary stated that he has been committed to EEO throughout his career, and he was not about to lessen his commitment now.

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<sup>4</sup> Not found.

<sup>5</sup> Not found.

**246. Paper Prepared in the Department of State<sup>1</sup>**

Washington, November 4, 1980

**HABIB RECOMMENDATIONS: UPDATE ON PROGRESS**

November 4, 1980

The following is a tabular representation of the Habib Committee's 63 recommendations, with an indication of their disposition.<sup>2</sup>

	DONE	IN TRAIN	OTHER STATUS, COMMENTS
<i>A. Recruitment</i>			
1. Consolidate State recruitment in one office.	X		
2. Office director to be Deputy Asst. Secretary.			Studied and amended
3. Necessary staff and budget for new office.		X	
4. Close liaison with I.C.A.	X		Continuing program
5. Ask M/EEO for advice and suggestions on recruitment.	X		
6. Utilize Pearson, Dip. in Res. and Univ. Trainees.		X	
7. Provide recruitment materials to speakers.	X		Continuing program
8. PA and CPL to include recruitment in programs.	X		
9. Target scholar-diplomat program on special colleges.		X	
10. Ask for mid-level candidates from P.C., Pearson, <sup>3</sup> etc.		X	
11. Open mid-level to State domestic employees.	X		
12. M/DG to assign personnel to new office promptly.		X	
13. Ask all officers to recruit during travel.	X		Continuing program
14. Rewrite exam booklet.	X		
15. Write general booklet on FS careers.	X		

<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 8, Chron November 17–22, 1980. No classification marking.

<sup>2</sup> Regarding the Habib Committee report, see footnote 2, Document 231 and Document 238.

<sup>3</sup> See footnote 3, Document 128.

16. Place in media articles on FS women and minorities.	X	Continuing program
17. Advertising to stress FS exam as means of entry.	X	Continuing program
18. New office to research dates, places, and organizations.	X	
19. Hire consultant to train office staff recruiters.		Studied; funds disapproved
20. Set up training program for part-time recruiters.	X	
<i>B. Written Examination</i>		
1. Retain written exam.	X	
2. Hire consultants to exam tests for bias.	X	To be repeated
3. Set up research capability to monitor exam and job analysis.		Funds disapproved
4. Ask for bids on FY 81 and FY 82 exams.	X	For FY 81
5. Give equal weight to EE and FB sections.	X	
6. Eliminate FF section, increase FB section.	X	
7. Tap pool of near-passers.	X	
8. Beginning 12/80 use differential cut score.		Studied and amended
9. Study giving exam more than once per year.		Studied and rejected
10. Avoid conflict of exam dates with LSAT, etc.		Studied and rejected
<i>C. Affirmative Action Junior Officer Program</i>		
1. For FY 80, catch-up goal is 43, later about 15%.	X	Goal exceeded for FY 80
2. Recapture 35 minority assessment passers.	X	
3. Consider differential cut-score on assessment.		Studied and rejected
4. Rewrite FRP standards and give credit for strength.		X
5. Maintain single register for minority candidates.	X	By choice
6. More thorough entry-level training.		X
7. Rotate assignments for career candidates.		X

8. PER to alert supervisors to develop career candidates.		X	
9. Eliminate second oral for AAJOP.	X		
10. Set up coordinator for intern programs in REE.	X		
11. Reduce number of disparate entry routes into FS.		X	Under review. FS Act of 1980 relates. <sup>4</sup>
<i>D. Assessment Center</i>			
1. Retain center.	X		
2. Remove in-basket from FS setting, 1 hour.		X	
3. Interview to be one hour, 3 on 1.	X		Studied and amended
4. Improve content of group exercise.	X		
5. Inform candidates of dimensions observed.	X		
6. Improve physical setting of center.	X		
7. Select well-qualified deputy examiners.		X	Continuing program, hampered by problems of availability and image.
8. Dept. and I.C.A. to assign appropriate personnel.		X	Some admin support positions in center still vacant.
<i>E. Mid-Level Program</i>			
1. Goal of 33 for FY 80.			Achieved 25, which is considerable improvement; moreover pipeline looks promising for FY 81.
2. Approve qualifications standards for M/L screening.		X	

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<sup>4</sup> P.L. 96–465. See Documents 181 and 183.

3. Approve standards for evaluation panels.	X	
4. PER to take over ARC function.	X	
5. Recruitment personnel should counsel candidates.	X	Continuing program
6. Review oral exam for FS bias.	X	Under review
7. BEX to develop plan for assessment of candidates.	X	
8. Provide training for M/L entrants.	X	Continuing program
9. Rewrite, clarify and distribute material on program.	X	
10. Explain reasons for rejection to all candidates.	X	Continuing program
11. Expedite security clearance for M/L.	X	Continuing program
12. Eliminate second oral.	X	Being negotiated with AFSA
13. Restrict number of FSR-3 entries.		Disapproved
14. M/EEO to keep statistics on program.	X	

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**247. Memorandum From Robert Drexler of the Office of Recruitment, Examination, and Employment in the Bureau of Personnel to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, November 5, 1980

SUBJECT

FY-81 FSO Recruitment Plans

Enclosed is a copy of our report to the Director General on our recently completed FSO Recruitment "Blitz". You will note that in general the recruiters encountered a very positive response to our efforts to seek out women and minority group members to take the

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 7, Chron November 3-8, 1980. No classification marking. Sent through Barnes.



1980 written examination or to apply under one of our affirmative action programs. Based on both oral and written reports from the recruiters we believe that more women and minority group members were reached than in past years.

As a result of the Habib Committee recommendations, we now have a new branch of REE committed to *year-round* FSO recruitment activities with emphasis on the recruitment of women and minority group members. You will recall that on September 3, Secretary Muskie approved your recommended goals of 40 Affirmative Action Junior Officer appointees and 33 Affirmative Action Mid-Level appointees for FY-81.<sup>2</sup>

To meet these goals and to encourage additional numbers of women and minority group members to enter as Foreign Service Officer candidates via the written examination process, our FSO Recruitment Branch has targeted the following goals and activities for this fiscal year:

1. To establish a list of key contacts at universities, colleges and organizations throughout the U.S., to maintain year-round liaison with them, and to utilize these contacts as volunteer recruiters in their areas.

2. To contact all retired FSOs and FSOs on university and Pearson assignments to enlist their aid as year-round recruiters in the areas where they are located.

3. To ensure that all officers in the Department and overseas are aware of our recruitment needs and include recruitment pitches in every public speaking engagement.

4. To work closely with EEO and with minority and women's organizations to ensure our participation in all gatherings where we can best reach women and minorities who are potential FSO candidates.

5. To revise and develop new informational material such as statistical reports and highlights on women and minorities currently in the Foreign Service for distribution to all contacts who could help us with our recruiting efforts.

6. To develop a yearly seminar in Washington for key contacts if funding is available.

7. To develop additional audio and visual materials for use in the recruitment of women and minorities. This might include a taping of a round table discussion with the Director General and others, designed for use by schools and organizations either with or without personal appearances by our recruiters.

8. To ensure effective screening of all Affirmative Action Mid-Level and Junior Officer applications and effective follow-up in all cases.

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<sup>2</sup> See Document 245.

9. To organize and program the 1981 recruitment drive well before the December 1981 written examination, better utilizing information and recommendations derived from the 1980 "Blitz" and the contacts obtained therefrom and ensuring that the best possible recruiters are used where their talents and background are most effective.

### **Attachment**

#### **Memorandum From Margaret Barnhart of the Recruitment Division, Office of Recruitment, Examination, and Employment in the Bureau of Personnel to the Director General of the Foreign Service and Director of Personnel (Barnes)<sup>3</sup>**

Washington, November 3, 1980

#### **SUBJECT**

The 1980 Fall Recruitment Campaign—"Blitz"

As in past years, the Department sent Foreign Service Officers to colleges and universities throughout the country in order to stimulate interest in the 1980 written examination, to ensure awareness and knowledge of our continuing Affirmative Action Programs, and to counsel potential future exam passers, particularly women and minority group members, as to Foreign Service careers and how best to prepare themselves for success in entry. This year for the first time recruiters contacted women's and minority organizations in the areas visited to promote Foreign Service career opportunities for women and minority group members.

A total of 49 officers visited some 285 colleges and universities in all 50 States and in Puerto Rico. The recruiters included 22 white males, 8 white females, 12 Blacks, 3 Asians and 4 Hispanics. Of the schools visited, about 50 were predominantly black institutions, others were selected because they were in areas with large numbers of minority group members and women. The estimated total cost of the operation was \$50,900.

Based on comments made at a de-briefing session and received in written trip reports, the overall response was extremely positive. The new junior officer salary levels were found to be generally competitive with those offered by private industry. Only a small number commented on the possible hazards of a Foreign Service career; a large

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<sup>3</sup> No classification marking. Sent through Robert Drexler. Copies were sent to Read, Lauderdale, and Palmer. Printed from an unsigned copy.

number were enthusiastic about the public service aspects of such a career; recruiters who had served in similar capacities in previous years felt that increased numbers were reached, particularly among women and minority groups members; a large number of recruiters found particularly rewarding the opportunity to enlighten professors, placement and development officers and organization leaders as to what the Foreign Service is about and as to the Department's sincere interest in increasing the number of women and minorities in the FSO and FSIO ranks and to achieve a truly representative Foreign Service. Many of the recruiters believe they discovered valuable contacts for on-going recruitment efforts and have expressed interest in continuing personal contact on our behalf. Most all believe this year's recruitment campaign will be successful in that additional numbers of women and minority group members will seek entry via the exam process or via one of the Affirmative Action Programs.

In the following paragraphs I have attempted to summarize the principal observations and recommendations which were made at the de-briefing session or in trip reports. I have not included those points which pertain only to one institution or organization but wish to note that these comments will be given great weight in planning next year's campaign and in our year-round recruitment activities.

We look forward to discussing the campaign in further detail with you and answering any questions you may have, on November 10, at 4:00 pm.<sup>4</sup>

#### *OBSERVATIONS AND RECOMMENDATIONS*

1. Most recruiters felt that more lead-time is necessary for preparation and contact and to permit schools to organize better programs. Many found college and university placement officers of limited assistance and, often only upon arrival at the campus, discovered that Department heads and faculty members in areas of our interest were the best sources for group organizations. It was recommended that future recruiters seek out these contacts and ensure sufficient advance notification of any recruitment visits.

2. In addition to identifying the best possible college and university contacts, most recruiters stressed the need for year-round contact with these "resident recruiters", to keep them supplied with all available recruitment materials, send them statistics on women and minorities in the Foreign Service, statistics on numbers of exam takers, exam passers and FSO/FSIO entrants from their schools, provide them with current information on other job opportunities in State and ICA, etc.

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<sup>4</sup> No minutes of this meeting were found.

Several suggested the possibility of a yearly conference in D.C. with a group of the most effective "resident recruiters".

3. A number of recruiters noted the need to further stress "role-models" in the selection of recruiters, i.e. graduates to alma maters, Hispanics to schools with large Hispanic populations, the successful, personable, enthusiastic "best possible representative of the Foreign Service", the return of the same recruiter with already established contacts and know-how to the schools visited previously, etc. Those recruiters who fit these categories found their visits extremely worthwhile and profitable vis-a-vis our recruitment goals.

4. Additional and better organized advance publicity was suggested. Many recommended provision of more audio and visual materials since schools now have modern equipment and devote considerable space and attention to all manner of recruitment efforts. In this connection it was suggested that a 30 minute to 1 hour tape professionally done and perhaps chaired by the Director General and including a round-table discussion on FSO careers with participants being representative FSOs and students from local schools would be valuable for on-going recruitment as well as for special recruitment campaigns.

5. Many recruiters suggested that next year's recruiters need additional information on summer intern programs and on other professional job opportunities in State and ICA.

6. Many recommended increased use of retired FSO/FSIOs, FSO/FSIOs on university student or faculty assignments, Pearson fellows, etc. both in special recruitment campaigns and for on-going recruitment contacts.

7. Most recruiters found interest in the Foreign Service considerably higher than anticipated and audiences with up to 50 percent women and 5-15 percent minority group members. Most felt that our efforts to reach minorities and women were highly successful this year.

8. A number of recruiters commented on difficulties in timing—timing of the visits, timing of the application deadlines and timing of the written exam. Schools on the West Coast and in Hawaii were just opening at the time of the visit; elsewhere schools were deluged with other recruiters who concentrate their efforts in early October; minority counselors were not yet selected or newly selected and not yet organized; students complained of the limited time between recruitment discussions and exam application deadlines; students said that this year's exam falls on the same date as the LSAT exam.

9. Recruiters covering schools at considerable distances apart felt that more time should have been allowed to permit adequate visitations and plus travel and rest time and time to consult organization leaders in the areas visited.

10. Most all recruiters seemed to feel that group meetings were the best and most worthwhile means of getting across our recruitment pitch. It was recommended that future recruiters make even more efforts to ensure that preliminary contacts are aware of our needs for group meetings.

11. With specific reference to our efforts to increase the number of minorities and women in the Foreign Service, suggestions were made to (1) reach these categories at the better high schools to call attention to FS careers and counsel on study plans; (2) zero in on those colleges and universities which have positive affirmative action programs, numbers of minorities and women and academic programs designed to ensure exam passers; (3) set up a chain of "resident recruiters" among minority counselors and selected minority organizations and maintain year-round contact. Among the organizations reached during this year's campaign, special interest and assistance was found among the Urban League Chapters.

12. A number of recruiters recommended a return to a single booklet rather than the two used this year (Foreign Service Careers and the Foreign Service Examination Supplement). Many also recommended separate examination application forms with accompanying instructions on completion.

13. One recruiter called attention to the regional (seven) annual meetings of the College Placement Council, Inc. and suggested we make every effort to participate in these meetings, thereby reaching large numbers of placement officers at one time.

**248. Memorandum From Margaret Barnhart of the Recruitment Division, Office of Recruitment, Examination, and Employment in the Bureau of Personnel to Robert Drexler of the Office of Recruitment, Examination, and Employment in the Bureau of Personnel<sup>1</sup>**

Washington, November 6, 1980

SUBJECT

Written Examination Application Statistics

We have just received statistics on the numbers of applications to take the 1980 FSO written examination (as of October 30). For informal comparison purposes, I have used only those numbers of applicants for the State FSO applications.

	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Total	18,022	17,094	15,549	19,649
Women	6,079	5,798	5,470	7,902
Blacks	1,057	1,479		1,628
Hispanics	920	953		961
Asians	327	427		477
Native Am.	64	69		78
Sub-Total	2,368	2,928		3,144
Minorities				

A breakdown by minorities was not made for Exam Applications in 1979.

A brief comparison indicates that some 50% more women applied to take the written examination in 80 than compared with those women who applied in 1979.

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 8, Chron November 17-22, 1980. No classification marking. Copies were sent to Lynwood Eaton (REE), Fred Sacksteder (BEX), Dave Rogers (REC), and Eloise Lee (EMP).

**249. Memorandum From the Deputy Assistant Secretary of State for Equal Employment Opportunity (Burroughs) to the Under Secretary of State for Management (Read)<sup>1</sup>**

Washington, November 10, 1980

SUBJECT

“Second Generation” EEO Program Initiatives

I thought it would be a good idea to pass on to you and Vivian<sup>2</sup> some of our thoughts on where we have been with the view of identifying major “Second Generation” EEO initiatives that will at least provide some “food for thought” for future EEO program direction. We have focused on thirteen major program areas. Obviously, there is some overlapping—but we feel that each of these areas must be viewed as distinct entities because of its relative importance to the overall EEO effort.

The areas covered are:

1. Executive Level Task Force (ELTF)/Habib Committee Recommendations
2. The Federal Equal Opportunity Recruitment Program (F.E.O.R.P.)
3. The Numerical Goals and Timetables Study (NGT)
4. Career Development/Upward Mobility
5. Summer Internship Program
6. The EEO Award
7. Human Awareness Training
8. EEO Training
9. Advertisements
10. Recruitment
11. Public Affairs
12. Statistical Analyses
13. EEO Complaints’ System

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<sup>1</sup> Source: National Archives, RG 59, Records of the Under Secretary for Management (M), 1980, Box 8, Chron November 10–15, 1980. No classification marking. A copy was sent to Vivian Derryck (M/EEO).

<sup>2</sup> Reference to Vivian Derryck.

**Attachment****Paper Prepared in the Office of Equal Employment Opportunity<sup>3</sup>**

Washington, undated

*SECOND GENERATION EEO**1. Executive Level Task Force on Affirmative Action (ELTF)/Habib Committee Reports*

While substantial progress has been made towards implementation of the recommendations of the ELTF and the Habib Committee recommendations, *only through close follow-up and monitoring will we be assured that all recommendations have been implemented.* For example the Habib Committee recommended that the Department: 1) develop a comprehensive in-service training program for Mid-Level entrants; 2) employ an outside professional recruiting consultant to advise and train recruiters and the recruitment staff; and, 3) that the written examination be validated in terms of its freedom from cultural and sex bias. We feel that these and other recommendations are critical to the institutionalization of EEO in the Department and should be acted upon in a timely fashion.

The important point to be made is that EEO policy has been more than adequately expressed and documented. The major focus must now turn to implementation of the remaining recommendations. The implementation process will be especially critical since many of the recommendations if implemented will provide the necessary support systems for the sizeable number of minorities and women junior officers now in the service. Actions taken under these recommendations could, in a sense, be termed our "Affirmative Action Plan." All plans must allow for periodic progress reports and continuous monitoring with a concomitant re-determination of goals, priorities, and methodologies when necessary. As we see it, failure to continue the work begun under these two efforts will merely necessitate the establishment of yet another "task force" or special committee effort in the next few years—which we feel would be a wasteful duplication of the significant efforts already made. Over the next few months, the bi-monthly EEO meetings should center around implementation of those Habib Committee recommendations which have not yet been addressed. Future task force efforts should deal with

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<sup>3</sup> No classification marking.



an analysis of the effectiveness of the changes made under the ELTF and Habib Committee recommendations.

## 2. *The Federal Equal Opportunity Recruitment Program—"F.E.O.R.P."*

Under "F.E.O.R.P." Guidelines, we have analyzed the "mainstream" and most populous occupations of our Civil Service workforce, compared their proportionate compositions to those of the Civilian Labor Force, and established preliminary strategies for recruitment of underrepresented groups and occupations.

During the coming year, particular emphasis must be placed on the "institutionalization" of "F.E.O.R.P." By this we mean that the Department's considerable affirmative action recruitment efforts and machinery must be made to include an emphasis on the Civil as well as the Foreign Service. If for no other reason than to maximize the value received for each dollar spent, our affirmative action recruitment strategy must be sufficiently coordinated to assure that anyone sent out to recruit be charged with the responsibility for presenting information about *all* possible job opportunities within the Department, both Foreign and Civil Service. In the development of this strategy we should be mindful of the fact that the GS workforce is approximately 68% female and 40% black.

## 3. *The Numerical Goals and Timetables Study*

The Numerical Goals and Timetables Study, begun in April, 1978, and first presented to management officials in the fall of 1979,<sup>4</sup> has, after much discussion and refinement, been circulated for final comment. The decision on acceptance has been held in abeyance pending word from the EEOC and the Justice Department as to the potential damage adoption of goals might cause in view of the pending class action suit.

M/EEO has held informal talks with both the Justice Department and the EEOC, and in neither case was there an expression that adoption of goals and timetables could prove damaging—in fact, the Justice Department's lawyer implied and the EEOC specifically told us that failure to adopt goals would prove far more damaging in the long run should we be faced with what EEOC terms a "Commissioner's Charge" for failure to comply with affirmative action regulations. We are currently awaiting an opinion from the General Counsel's Office, EEOC, on our Numerical Goals and Timetables position paper.

M/EEO believes it is now time to adopt the Numerical Goals and Timetables Study as our 1980–81 affirmative action plan for the Foreign

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<sup>4</sup> Not found.

Service just as "F.E.O.R.P." constitutes our plan for the Civil Service. Using the 1981 goals now approved by the Secretary, we should conduct the recalculations called for in the study, based on projected increases in total hiring; establish goals and timetables for the next five years, (again, subject to recalculation for 1982); and, finalize and submit our plan to the EEOC. We are already in violation of their guidelines for failure to submit a plan; the longer we delay, the less favorably any plan we submit is likely to be received and the less lenient they are likely to be—they have begun to make threatening noises. At the risk of sounding repetitious, M/EEO continues to believe that the NGT Study's "Educationally Qualified Labor Market" is a better measure against which to gauge underrepresentation and target our recruitment goals than the higher number under the Civilian Labor Force.

Additionally, the NGT methodology, as a management device will greatly assist us in getting a better handle on attrition, promotions, tenure experiences for minorities and women, etc. All of these factors will and should become increasingly important now that there is a sizeable number of minority officers at the junior levels. Just a cursory review of the recent promotion list with only about twelve minorities (2.39%) promoted out of a total of 503 is evidence enough that we need to be constantly concerned about "*Career Retention and Progression*".

#### 4. *Career Development/Upward Mobility*

Current upward mobility efforts need to be integrated with other requirements (FEORP and SES/SFS development) under the umbrella of career development. An integrated career development program would enable the Department to provide systematic intake, development and advancement of personnel (both FS and GS) in an efficient, cost-effective manner, improve employee morale and fulfill affirmative action requirements.

The Civil Service Upward Mobility Program, too, is in need of a complete review. The government-wide concept of Upward Mobility should be explained in the light of our Upward Mobility efforts. The objective of the Upward Mobility Program is to provide high-potential employees in dead-end positions at the lower grades, GS-9 or below, new career opportunities not necessarily related to their experience or occupational background. Since upward mobility positions are based on the precept that employees with potential, who do not meet qualification standards, may become qualified for current or projected higher level vacancies, bridge positions must be created and target positions identified, with an individual development plan to link the two.

Upward mobility positions should not to be confused with career ladder positions—those classified in a professional series with promotions at 2-grade intervals usually beginning at the GS-5 level. In order

to qualify for career ladder positions, the employees must simply meet the minimum qualification requirements for the occupational series. There are large numbers of employees who could benefit from upward mobility and career ladder development. Another facet of career development to be considered will be the integration of Foreign Service personnel who will be converted to the Civil Service under the new FS Act.

Bureau and individual supervisory support for Upward Mobility must improve and we should disseminate more information to supervisors on how the program operates and what they can and should be doing to re-design or restructure jobs, what flexibility they have within the system to do so, and how valuable Upward Mobility can be in terms of accomplishing their work and improving employee morale.

Additionally, the Foreign Service Mustang Program needs to be reviewed and evaluated, barriers to success in and for the program need to be determined and eliminated, and a revitalized and a renewed program must be begun. At a minimum, the existing program must be re-advertised, as few employees are aware of its existence.

#### *5. Internships and the "Grow Your Own" Concept*

This year's Minority Summer Internship Program was an unqualified success, with thirty-two participants (the largest number ever) serving in bureaus throughout the Department. Bureau requests for M/EEO Interns were higher than ever, and at summer's end, reports from bureaus and interns alike were positive.

Future success will depend upon an early recruitment effort, with more emphasis on hiring minorities with a demonstrated interest in and facility for foreign affairs work. Better matching of interns' interests and qualifications to particular bureaus will also be emphasized. More coordination of this special internship program with overall Departmental internship activities is a must. Establishment of M/EEO internship slots in even more bureaus and offices, most notably in S, M, and M/DG, are goals for the future as well.

A key problem as perceived both by the interns and their supervisors was the question of assignments. Supervisors of M/EEO summer interns received little advance guidance as to the types of assignments they should be giving their interns. At the same time, interns were either told or assumed they would immediately be given substantive work and when they were not, did not believe they were making a positive contribution to the office. Interns' expectations must be tempered in the future with a realization that some preliminary adjustment and learning processes are necessary before a totally new employee can begin work of a substantive nature. Supervisors, on the other hand, should be called together in advance of the interns' arrival to discuss

possible assignments and problems and to plan for full utilization of the interns with the least loss of productive time for all concerned.

The "Grow Your Own" Concept is not new, but has never been fully utilized in the Department. Orientations, briefings, tours and the like must be presented to the interns so they can become familiar with the FS Officer Corps. We should continue to encourage more of the interns to take the FS Examination. Far greater emphasis must be placed in the near future on cooperative education programs, stay-in-school programs, the use of full-year internships, the possible establishment of scholarships for Departmental interns, etc. For example, we have received a proposal—which we intend to explore—from Lincoln University calling for the recruitment and training of minority Foreign Service officers.

#### *6. The EEO Award*

Although Secretary Vance gave his approval to the creation of an annual EEO Award and the requirements for awarding it have been set forth, we have yet to adequately publicize the award's existence or to confer it. Obviously, presenting the award will generate some publicity, but we feel even more emphasis on the award's existence and value might generate some active competition for it.

#### *7. Human Awareness Training*

As we see it, the highest priority for 1981 is the design and implementation of a Human Awareness Training Program for the Department. Preliminary discussions with FSI's School of Professional Studies have been fruitful, and we have had meetings with a team from M/MED about the possibility of combining general Human Awareness with their work in Alcoholism and Psychological counseling. Our first step should be to let a contract with some external firm which would, after detailed exposure to the unique nature of the Department, conduct a study of present attitudes and awareness and then design and tailor a variety of courses and modules to improve and enhance attitudes and relationships. Modules would be tailored to fit already-designed courses such as area studies and supervisory or management training, and would emphasize the similarity between the need for cross-cultural awareness and sensitivity here in the Department and among Americans as well as overseas between Americans and foreign nationals. We believe such a program, if properly designed, could be very effective in reducing bias and prejudice, and would be useful in heightening the sensitivity of supervisors found to have discriminated in complaint cases. I can think of no other EEO initiative that is more important at this juncture than a well-developed Human Awareness Program at FSI.

#### *8. EEO Training*

In cooperation with FSI, M/EEO assists in the incorporation of EEO training units in many of FSI's ongoing programs, particularly

those for new entrants. In addition to the EEO presentation to incoming Junior Officer classes, we address PER's "Personnel Lab" and groups of new FSRs and GS employees, particularly those who are overseas-bound, on the Department's EEO programs, goals, and objectives, as well as the discrimination complaints' system. We also present the EEO portion of the "Supervisory Studies Seminar" at Harper's Ferry, and have worked with different consultant teams under contract to FSI in the design of EEO modules for several management and personnel officer courses.

On a bi-monthly basis, the Department and USICA sponsor a one-day course entitled, "The Executive EEO Seminar," which is popularly known as "OUCH" (an acronym for the most important points a manager must remember in making personnel decisions—Objectivity, Uniformity, Consistency, and Having job relatedness). We assist FSI in announcing the course, scheduling participants, and as resource personnel during the session. Since the cancellation of our former course "EEO and the Departmental Employee" (cancelled due to need for an overhaul) we are keenly aware of the need for a course for non-supervisory personnel, and are working with FSI to arrange for and design such a program.

#### 9. *Advertisements*

This past year's media campaign appears to have been quite successful in generating applicants for the written examination and for the two affirmative action entry programs. BEX recently re-designed the Exam Announcement Booklet and we hope the improved format will bring results, (although preliminary word on the two-volume approach has been so negative that next year will probably see a return to a single booklet). We believe that much more could be done to bring the Department's media campaign up to compete with the slick, Madison Avenue-style brochures and promotional material used by our competitors. A case in point is the USDA's new-full-color brochure depicting women and minorities in USDA positions throughout the US. Better-designed and specially-tailored advertisements should annually be placed in special minority group magazines such as *Nuestro*, *Ebony*, *Essence*, etc.

Both for advertising purposes and as a possible source of information concerning the "Women's Availability Factor" we have discussed so much this year, we have had meetings with the Advertising staff of *Graduate Woman* magazine, the publication of the American Association of University Women (A.A.U.W.). Discussions have centered around the possibility of including a fold-out questionnaire with a franked envelope attached. The A.A.U.W. has told us that their readership is very interested in foreign affairs articles, and they are so intrigued at the prospect of our questionnaire that they might consider either an editorial or a

companion feature article about women in foreign affairs, or both, in the issue with our questionnaire, which would certainly spotlight our efforts. We originally explored this primarily to get at the attitudes of women towards overseas assignments, the dual career couple problem, etc. Whether or not such a questionnaire is successful as a method for determining the extent of the "Women's Availability Factor" and its effect on our recruitment efforts, we believe that as an advertising vehicle, an issue devoted almost entirely to women in foreign affairs that is sent to a readership of 190,000 could have a terrific effect!

#### 10. *Recruitment Strategy*

Recruitment has undoubtedly been the major priority and thrust of our efforts this past year, and the results have been positive. From the addition of staff to PER/REE's Special and General Recruitment divisions, to the BEX "Blitz" visits to minority and women's colleges and organizations, it is clear the drive is on. M/EEO has provided much of the impetus to REE and BEX, and we have done considerable building of relationships with minority and women's groups through our Hispanic and Minority Affairs Coordinators and our Federal Women's Program. In concert with or independent of REE's efforts, we have attended national and local conferences of minority and women's organizations, spoken before special interest groups, and assisted extensively in the Department's recruitment efforts. For example, we have attended conferences of IMAGE, American GI Forum, LULAC, the Mexican American National Women's Organization (MANA) and the National Council of La Raza. We now need to move toward getting other Department officials to participate in these forums, i.e., guest speakers, panelists, resource persons, etc. Recruitment is, and will continue to be, the backbone of our EEO efforts.

#### 11. *Public Affairs*

This year the Department has again sponsored conferences of Black, Hispanic, and Women's Leaders, respectively, at meetings conducted under the auspices of the Bureau of Public Affairs. While coordination between PA and M/EEO was much better this year than last, we still must find ways to enhance cooperation—especially when minorities and women are involved. More EEO involvement in the planning of the meetings, we believe, would defuse some issues at the outset since we are in a good position to brief speakers about what to expect from the audience and how to avoid controversial or potentially inflammatory, even sometimes discriminatory, statements. We could also provide more adequate material for inclusion in briefing books.

As you know, one of the Habib Committee's recommendations was that speakers sent out by PA/PP to conduct policy discussions with public interest groups should be charged with the responsibility

for recruitment as well. PA/PP's speakers should be briefed on the importance of this duty, told that such duty goes with the speaking engagement, and given brochures on the Department's career fields or affirmative action goals and hiring programs for inclusion in their packets. Our recruitment dollars could be stretched much further if we utilized speakers in this fashion, especially since they are speaking to people with a demonstrated interest in foreign affairs and a higher potential for interest in a foreign service career.

Our publicity and training-related goals for this year should be the design of up-dated EEO literature for use by FSI in its courses, for mailing to our EEO Counselors and Federal Women's Program Coordinators overseas, and for handouts on recruitment drives, and the design and conduct of more self-help programs for women in cooperation with the Women's Action Organization (a fairly successful activity last year). We hope particularly to focus on the GS side for these self-help programs.

## 12. *Statistical Analyses*

Statistical data-gathering is becoming more and more a key element of our operations. As we have all seen during our recent struggles with F.E.O.R.P. and NGT calculations, as well as in each of our meetings to discuss planning and goals strategies, the Department's current data-gathering and retrieval capabilities are outmoded and inadequate. We waste literally hundreds of hours and even more dollars struggling to keep track of a relatively small number of people. Representatives of M/EEO, in cooperation with PER's Office of Human Resources Management, have recently been previewing the wares of several firms now in keen competition to sell F.E.O.R.P. and affirmative action software packages, and we have been very impressed with what we have seen. One demonstration at the Department of Transportation showed an analysis performed on a computer terminal in the Personnel Office which took four minutes—at peakload time—that would have taken us a minimum of four days. HRM would prefer to work with our present system, which is currently being redesigned, because they feel that once redesigned, our system will enable us to perform future projections. This redesign has been ongoing since last spring and will probably not be in place before next summer. Most software companies predict their system can be on line in two months, which we interpret as four—still far ahead of our own operation.

We recommend the immediate purchase of one of these software packages which will be compatible with our own system and easily integrated into it when and if redesign is concluded, so that we will then have both the immediate and current status reporting and predicting functions readily available.



We hope to arrange a preview for you and representatives of the Director General's office in the very near future. A sample of the kinds of data generated by DOT's computer software package is attached.<sup>5</sup>

### 13. *The EEO Complaints' System*

#### *Counseling*

An ever-present problem is our inability, because of distance and personnel turnover, to adequately train our EEO Counselors and Federal Women's Program Coordinators at post. We have recently improved upon our past system of mailings to these collateral duty personnel with the inception of our "EEO Counselor's Newsletter," which we hope will be of great use in alleviating this problem.

We expect in the near future to recommend improvements in the methods by which EEO Counselors are nominated. Many of our complainants are frustrated because they perceive their EEO Counselor as lacking in ability either to understand the essential elements of the complaint or lacking in the innate ability to effectively communicate the complaint to management. We believe this problem might be alleviated if M/EEO were to interview and approve the Bureau's nominees.

#### *Investigations*

Our single biggest problem for the immediate and probably long-term future is the investigations' backlog, which is severe.

For the past four years, we have been functioning with only one full-time complaints' investigator (Mary Stitt) and an average of fifteen part-time investigators who perform investigations as a collateral duty. Over eighteen months ago, scarce resources forced us to press Mary into duty with the Numerical Goals and Timetables Study, then, with Irene Ivone's departure to REE, into F.E.O.R.P., affirmative action planning, and other high-priority projects which allowed her less and less time to personally investigate cases or to assign them to part-time investigators and monitor their progress. Recently she has been Acting Federal Women's Program Manager as well—filling positions left vacant by Barbara Thomson's retirement and Margaret Anderson's transfer. Recently we hired an Upward Mobility EEO Assistant/Investigator trainee, which should ultimately relieve her of some pressure.

Experience has shown that the use of part-time investigators is unfortunately not the most effective or efficient method for conducting investigations. In spite of the fact that the part-time investigators and their supervisors agree at the outset that sufficient time will be allowed for work on investigations this is of course never the case. The press of busi-

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<sup>5</sup> Not attached.



ness in other bureaus almost always takes precedence over investigative duties. The people chosen to serve as investigators are selected because they are hard-working and dedicated people—and naturally give their all to their regular jobs as well as to the investigations, but this dedication, and sometimes the crisis nature of their jobs, simply prevents the investigators from allotting as much time for work on the cases as is required. This means that cases can drag on and on, and are sometimes not conducted as well as they might be if the investigator were free to devote full time to the investigation.

Add to this the increasing complexity of cases, the expansion of allowable bases for complaints to include age, handicap status, class actions, and now sexual harassment, and a change in the regulations which now allows the alleged discriminating official an opportunity to see and offer rebuttal to testimony or evidence encountered during the investigation, and it is easy to see that there are more and more cases and that investigations are taking longer and longer to complete.

In light of the foregoing, resources devoted to investigations should be closely examined with the view of providing additional resources as needed, to clear up the present backlog. Also, the possibility of contracting-out this function should also be explored. Other agencies have been doing this for some time.

When viewed in the aggregate, visible and identifiable progress has been made since 1977. While there is much left to be done, I believe that a solid framework has been established from which our successors will have more than a nucleus from which to work.

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