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October 8, 1968

MEMORANDUM

TO: Bob Haldeman
FROM: Martin Anderson
RE: Transition

Although the people in the research/writing area have done no further work on the transition problem since our last discussion, a volunteer, Professor Wesley McCain -- a colleague of mine at Columbia -- has completed a fairly complete, comprehensive survey of the non-civil service federal positions available for presidential appointment.

This survey breaks down all the positions of the Executive Office of the President, the Executive Departments and the Independent Agencies into five employment classifications ranked according to their policy determining character.

According to the published reports now available, there are more than 2,500 appointments to be made:

Presidential Appointment (needs Senate Approval)	966
Presidential Appointment	428
Schedule C Appointment	<u>1,118</u>
Total	2,512

It should be noted that this survey does not reflect all the personnel increases in recent years, and the total number of appointments may run 10 to 20 percent higher than the figures shown.

for the positions now identified in the 86 Executive Departments and Agencies, our current survey includes the job title, name of the present incumbent and a short biographical sketch of the key appointments.

The top priority items are:

1. Identification of key positions that must be filled as soon as possible after the election.
2. Expanding and updating the survey already completed.

Key Positions

There are two factors which must be considered simultaneously -- the importance of the appointment, and its urgency. By these two criteria the following areas of appointment are critical:

1. The White House office
2. Central Intelligence Agency
3. Department of State
4. Department of Defense (Air Force, Army and Navy)
5. Atomic Energy Commission
6. Bureau of the Budget
7. Council of Economic Advisors
8. Office of Emergency Planning
9. National Aeronautics and Space Administration
10. Department of the Treasury
11. Department of Justice

The following positions within each Executive Department and Independent Agency are critical to their effective functioning. They should be staffed with people who are loyal to the President and in fundamental agreement with his policies. These are:

1. Congressional Liaison
2. Appropriations
3. Legal Counsel
4. Press Relations
5. Personnel

✓ Recommendation

The current survey should be expanded and updated to include all positions. The following information should be included:

1. Job title
2. Brief job description
3. Name of incumbent
4. Employment classification (i.e., PAS, PA or C)
5. Grade or salary
6. Tenure classification
7. Tenure expiration

During the fall of 1960, such a survey was made by the Senate Committee on Post Office and Civil Service and published as the "Green Book." This was not published in normal channels and is very difficult to obtain.

If possible we should attempt to get this Committee to conduct a similar survey; if not, we should assemble a small staff and do the job ourselves.

The present composition of the Committee is:

Republican

Carlson, Kansas
Fong, Hawaii
Boggs, Delaware
Fannin, Arizona

Democrat

Monroney, Oklahoma
Yarborough, Texas
Randolph, West Virginia
McGee, Wyoming
Brewster, Maryland
Hartke, Indiana
Burdick, North Dakota
Hollings, South Carolina

Staff Director: John Burzio

Frank G. Siscoe
DRAFT - NOT FOR
PUBLICATION IN THIS
FORM
October 15, 1968

Present and Future Soviet Policies in Relation
to the United States

The international environment in the 1970's is likely to be more turbulent and competitive, and tensions between the U. S. and the USSR will persist. The United States should expect that the Soviet Union is going to make decisions which will be more uncomfortable and difficult for the U. S. than heretofore. Partial accommodations, from time to time, are possible of realization where overlapping interests exist; but the Soviet Union's overriding goal over the foreseeable future will be to reduce U. S. power, prestige and influence to the extent this may be possible without seriously jeopardizing the security of the USSR.

Over the next decade the Soviet Union will remain the principal military threat to the U. S. Soviet military power has reached an unprecedented level and, in Europe, the Soviet Union continues to strengthen its already strong military posture. During the past three years, the USSR has substantially increased its strategic ability to damage severely the U. S.; and present Soviet programs reflect a determination to achieve parity, if not superiority, with the U. S. in strategic missiles. Subject to the important qualifications of relative resources and priorities, the main thrust of Soviet strategic doctrine is in the direction of the achievement of superiority: both qualitative and quantitative. Over the foreseeable future, the USSR can be expected to continue expansion of its strategic forces and to continue the gradual increasing of the reach of its general purpose military forces.

As the capacity of the Soviet Union and the U. S. to do the other devastating damage becomes more nearly equal, a state of strategic balance and of mutual nuclear deterrence is developing. In the face of assured

destruction capabilities, both the Soviet Union and the United States have great difficulty in defining those national interests, the protection of which would justify the use of nuclear weapons. However, the rapid growth in Soviet strategic nuclear forces is unlikely to lead the Soviet Union to take high risks of nuclear war in confrontation with the United States.

In situations of mutual deterrence, there can be constant risks of conflict as the Soviet Union probes for weaknesses and seeks to expand Soviet power and influence in the world. These risks would become dangerous if the Soviet Union mistakenly sensed a faster U. S. withdrawal from power positions or a reduced U. S. willingness to compete actively with Soviet or Soviet-supported forces. The Soviet leaders may be more inclined to intervene in Third World areas, if they have an expectation of reduced chances of American opposition; and they may see greater prospect of using conventional military force without risking crisis or confrontation with the U. S. The increasingly greater reach of Soviet conventional forces, even though significantly behind the U. S. in all-over capability, may also persuade Soviet leaders to intervene in areas non-contiguous to the Soviet Union; but interventions would be more likely in areas closer to the Soviet Union, such as the Middle East and North Africa.

Apart from the questions of actual employment of growing strategic forces or their availability for deterrent purposes, the Soviet Union will probably flaunt its strategic power to enhance its political prestige and to increase its political influence in other countries. As part of a political strategy, Soviet forces may be drawn into local conflicts, especially when invited in by a local government or a revolutionary movement, and less willing to withdraw. Prior Soviet intervention would face the U. S. with alternatives of local or strategic confrontation or non-involvement. In previous crises (Cuba and Berlin), U. S. nuclear superiority has exerted an inhibiting influence on Soviet moves.

In Soviet military policy the general purpose forces, in the past, have been developed and disposed primarily to cope with a military threat from Europe, and this European orientation will almost certainly persist for

the foreseeable future. At the same time, the Soviet Union is becoming increasingly interested in the Soviet military posture vis-a-vis China and in military capabilities to support Soviet political interests in other parts of the world. | 24/11

Soviet airborne and amphibious assault capabilities will probably expand considerably during the next few years, assisted by the rapid growth of the Soviet merchant fleet. In the Mediterranean and in the Indian Ocean the Soviet Union also has demonstrated its increased capabilities to conduct anti-submarine warfare and sustained long-range naval operations. These improved capabilities would enable Soviet military forces to move in political support of more distant clients. As a matter of policy, however, the Soviet Union has preferred to seek its ends in distant areas through the support of indigenous forces, a practice which reduces both military risks and adverse political reactions. The Soviet forces lack the sea and air combat capabilities necessary for distant operations against serious opposition, and there appears to be no evident Soviet program to achieve these capabilities.

The imminent prospect of a mutual nuclear deterrent may dispel Soviet caution in Europe and lead to a reassessment of Soviet ability to apply pressure for a solution of outstanding problems, especially those of Berlin and Germany. The Soviets may also view the reaction to the Czechoslovakian situation and a weakened NATO as offering additional political opportunities. In the past, however, Soviet policy towards Western Europe has tended to be prudent and Soviet leaders have learned that exaggerated Soviet militancy has had the counter-productive effect of strengthening NATO.

The Brezhnev-Kosygin collective leadership is a fairly wobbly structure, being a coalition of factions embracing different interests and views, whose existence is always in doubt. In the past fifteen years the Soviet Union has moved from absolute dictatorship, to collective rule, to one-man leadership and, to the present collective. While no inevitable pattern emerges, changes in the Soviet leadership will probably take place within the next few years which could produce abrupt policy swings,

especially if a single, forceful leader comes out on top again.

The current leadership, in contrast with the more spectacular Khrushchev, tends towards the basically conservative and orthodox, both in external and internal views. The present collective leadership has survived for three years, and the main lines of Soviet doctrine and policy have remained substantially unaltered. However, an increased influence has been achieved in the Arab states, in the countries along the USSR's southern periphery, and especially in the Mediterranean. The feeling of detente did make some progress in Western Europe before Czechoslovakia and perhaps could, with effort, be revived. But Sino-Soviet relations have continued to deteriorate, the Soviet hold in Eastern Europe weakened and Soviet progress in the Third World has been spotted with setbacks. Serious foreign policy difficulties undoubtedly have arisen among the leadership on such questions as Soviet conduct during the 1967 Middle East crisis and the 1968 Czechoslovak confrontation and invasion.

Persistent disagreements almost surely exist within the leadership on internal matters, especially the thorny problem of resource allocation. The leadership has delayed or compromised on fundamental internal demands, the strength of which is uncertain. These include: greater freedom for the creative intelligentsia and scientific community; reform of the centralized economic management and planning; curb on arbitrary use of power and a new constitution; and greater agricultural and rural social investment. The attitude of the Soviet military toward political and economic matters, despite its traditional stance of nonintervention, may become critical if the political leadership remains indecisive.

The instinctive reaction of the current Soviet leadership at home and abroad has been towards the use of dogmatic methods, which resist the realities of the contemporary world. Additional control measures are likely over the next immediate period. If the economy should falter or serious reverses be encountered abroad

Internal

or in the Communist world, the intensification of controversy within the Politburo could bring important leadership changes, with the emergence of a more forceful leadership being a probability. Whether this new forceful leadership would be a danger or a benefit for the West is difficult to predict, although it seems likely over the short run the changes would be accompanied by a rise of tensions and uncertainty.

Any Soviet leadership recognizes that the Soviet Union is inevitably involved in a worldwide rivalry with the United States and, where pragmatically possible, is determined to change the international relationship of forces to the Soviet advantage. Soviet leaders bring a ~~basic attitude of suspicion and distrust to any consideration of U. S. policies and~~ see the U. S. as the principal obstacle to the growth of Soviet influence in world affairs and the only significant military threat to Soviet security. Any substantial change in this basic hostility is not foreseeable over the next ten years.

Recent Soviet foreign policy has been characterized by a persistent ~~disengagement of its national goals from communist ideology,~~ a disposition to demand recognition as a global power and a conscious pursuit of alternate policies of ~~confrontation and collaboration with the United States.~~ The USSR, in its search to insure its long-term security, must compete for influence in the world with Communist China as well as with the U. S. and its European allies.

Soviet foreign policy is historically a compound of Marxist-Leninist ideology, pragmatically applied, and ~~Great Russian national interests.~~ While Soviet leaders still express belief in the ultimate worldwide victory of the Communist system, they have not regarded that victory as a concrete or immediate task of Soviet foreign policy or of Soviet military forces. The decline of the world-revolutionary commitment and the concentration on the national interests of a great power have been accompanied by the growth of Soviet capabilities creating greater opportunities for pushing its great-power goals. Ideology continues to serve the Soviet leaders as a framework for political, economic and social analysis and as a vehicle for rationalization and explanation of

Soviet behavior. In this role, Soviet ideology seeks to explain Moscow's status as a global power as being consistent with its self-appointed role as spokesman for the Third World against "international imperialism".

Soviet policy in Europe is designed to preserve and improve its military and diplomatic position in the heart of Europe. Soviet policy is directed toward the reduction or elimination of U. S. influence, the isolation and containment of West Germany and the weakening and destruction of the Atlantic Alliance. Germany is the main issue in contention with the West, and the principal elements of the Soviet position are the maintenance of the division of Germany, the continuance of the present frontiers and the nonaccess by West Germany to nuclear weapons. Soviet policy seeks to prevent the development of the latent threat of Germany to the Soviet position in Central Europe and encourages the ultimate disengagement of the U. S. from Europe, which would remove the protection of the U. S. over West Germany and the threat of West Germany's developing into a military power in its own right.

In Eastern Europe the hegemony of the USSR will be increasingly confronted with countervailing nationalistic and economic influences. The Warsaw Pact remains the most important institutional framework for the exertion of the USSR's influence in Eastern Europe and for the maintenance of Communist solidarity against Western Germany. The Czechoslovak invasion demonstrated Moscow's deep concern with the highly strategic position of the northern states (Poland, Czechoslovakia and East Germany) and disquiet over any possible set of circumstances which would weaken the Soviet position in Central Europe. The southern states (Hungary, Romania and Bulgaria) are almost surely considered less strategically important. This seems especially evident in the Soviet handling of Romania, where the Soviet Union has demonstrated its reluctant willingness to accommodate itself to Romanian recalcitrance within the Warsaw Pact and Romanian desire for changes in structure and arrangements.

The military and political interests of the Soviet Union in Eastern Europe are so paramount that the efforts of the countries there to loosen their bonds with the USSR will be a delicate procedure carrying varying degrees

of risk. Eastern Europe has been a relatively stable area since World War II, primarily because of Soviet political and military pressures. In contrast, as these controls are increasingly resisted over the next decade, more instability is likely. Setting aside the supply lines to Soviet forces in East Germany, Poland is potentially the most explosive country in Eastern Europe. But the outlook for Poland is bleak over the next ten years, and, confronted with an impossible geographical position, a weak economic situation and a lack of flexible, capable leadership, Poland is likely to remain tightly and unwillingly tied to the Soviet Union.

The present hostility and rivalry between the Soviet Union and China will probably continue through the next decade, regardless of leadership changes in either country. On key issues the Soviet and Chinese leaderships diverge: the theory of "wars of national liberation", arms control measures, attitude toward the United States and the leadership within the Communist bloc. Added to these are fundamental national incompatibilities of historic animosity, geographical claims, economic divisions and conflicting security objectives.

Future changes in Soviet and Chinese leadership could affect the recurrent degrees of hostility. In the Soviet Union, the collective leadership is basically unstable, and, in China, Mao is mortal. Yet, in spite of their deep-seated differences, both the Soviet Union and China have something to gain from avoiding a further deterioration in their relations. Both still regard communism as a single movement, suffering from a temporary schism, and each feels entitled to lead it. Despite the bitterness of polemics, each blames current problems on the opposite leadership. Thus, the door is left ajar for a future reconciliation, should new leaderships emerge. Although remote, a pragmatic reconciliation between the Soviet Union and China and a submerging of their differences in order to adopt a common front against the United States, cannot be excluded. A military Chinese leadership, especially if faced with threatened economic failure, could desire greater cooperation and economic and military aid from the Soviet Union. However, under any set of foreseeable circumstances,

it is most unlikely that the Soviet Union would be tempted to give China military assistance of a nuclear nature.

The maintenance of fanatical ideological and revolutionary zeal in China after Mao, simultaneous with an increasingly "revisionist" Soviet policy, would lead to greater friction. Chinese attitudes would be crucially influenced by U.S.-Soviet relations. A genuine Soviet detente with the United States, coupled with treaties on arms control matters; a more relaxed Soviet policy toward Eastern Europe; and closer relationships between Eastern and Western Europe, including the two Germanies, would confirm Chinese conviction of U. S.-Soviet collusion and the Soviet betrayal of the Communist cause.

Any Soviet moves to reduce Chinese influence, especially in Asia, would exacerbate Sino-Soviet tensions and increased Chinese provocations against Soviet citizens would further ruffle feelings. Since early 1963, Soviet military strength and air defenses, including strategic weapons, have been strengthened along the Sino-Soviet border, but these developments appear to be more precautionary in nature and in answer to a border security problem than a major military threat in the near term. While the Soviet leadership probably discounts the likelihood of an early, large-scale conflict with China, it is clearly apprehensive about the long-term prospects for growth in China's military power.

The Soviet Union, since 1955, has conducted an active, but generally cautious, campaign for influence in the Third World of less developed countries. About that time, several radical states were considered by Soviet ideologists as having embarked on the "non-capitalist" path, and Soviet leaders appeared to conclude that Communist goals could be more effectively pursued through cooperating with nationalist governments than through their overthrow by Communist parties. The overturn of "non-capitalist" regimes in Indonesia and Ghana and instability in other radical states seem to have made the Soviet Union less sanguine regarding the speed of favorable developments in the Third World. There is some evidence of discontent among the Soviet leadership over the commitment of Soviet resources and prestige to

clients whose interests may be different from those of the Soviet Union and whose actions can be unpredictable and uncontrollable.

Soviet attention has been devoted to the strategic Middle East and North Africa, where Moscow has successfully exploited anti-Western attitudes in Arab countries. The Soviet Union has repaired much of the damage done in the 1967 Arab-Israeli war, and the USSR will doubtless continue to try to build presence and influence in the Arab world, to the West's detriment. However, the Soviet leaders will probably continue to balance support of the Arabs, pressure on the Israelis to withdraw, military assistance to Arab countries, and discouraging the Arabs from reopening hostilities. In Asia and Africa, military aid programs have served Soviet policy objectives well. These programs have enabled the Soviet Union to play a role in regional disputes, to establish contact with military elites and to harass Western relations with Third World countries. The Soviet Union has consistently tended to assume certain risks in extending military aid, and will probably continue to use this instrument of foreign policy in the same fashion over the foreseeable future.

The Middle East is the area most likely to be marked by turmoil and local war over the next decade. Despite any Soviet wishes to prevent another Arab-Israeli conflict, Arab frustration and Israeli truculence are likely to lead again to hostilities, with resultant pressures and increased tensions for the U. S. and the USSR.

The Soviet Union is now seeking acceptance in Iran and Turkey as a "good neighbor" and hopes to capitalize on the growth of neutralist sentiment, but the Soviet leaders probably anticipate any expansion of Soviet influence in Iran and especially in Turkey will be gradual.

In Latin America, the Soviet Union has emphasized gradualist policies based on diplomatic, cultural and commercial activities. Clearly, Latin America has a low priority for Soviet policymakers who will probably continue to stress probing tactics rather than to seek revolutionary situations.

It seems unlikely that the Soviet Union will adopt any dramatic changes of policy in the Third World, unless the world power balance is abruptly distorted, or will accept additional military or political risks. Except where gains appear clear, the Soviet Union will probably continue to be circumspect in supporting "national liberation" forces. However, risks and material support of current dimensions will probably continue to be assumed, because of what the Soviet leaders conceive as the USSR's need to assert its legitimate interests in practically all areas of the world.

alternative
Soviet foreign policies over the next decade could range between two extremes. //

(1) One possibility is the Soviet acceptance of the path of genuine coexistence with the West, which would include a political solution for Europe, the withdrawal of Soviet troops from Central Europe and the abandonment of the expansionist ideology of communism. This choice, based on conciliation and cooperation with the U. S., would lessen worldwide tensions markedly, avoid another strategic arms race, and permit the concentration of Soviet resources on internal development. This choice would lead to a sure detente. It should be immediately stated that present or likely Soviet leaders will not give serious consideration to this alternative.

(2) On the opposite end of the spectrum of choices is the high risk of war policy, based upon demonstrative and unrelenting hostility to the United States and aggressive acts against U. S. interests in areas of contention. This possibility would ignore economic costs, produce a spiral in the strategic arms race, and bring a drive for weapons' superiority in every field. Implicit in this choice would be the assumption of political and military courses of action leading to direct confrontations with U. S. forces. The selection of this policy would entail serious risks endangering the survival of the USSR and a disregard of the consequences of general war. There are no evident considerations compelling such a drastic and extraordinary change in Soviet policy.

The range of Soviet foreign policy decisions is likely to be considerably narrower than the above-indicated

extremes. Pressures within the Soviet Union, rivalry and independent forces among the communist countries, growing power centers in Western Europe, Japan and China, uncertainties in the developing countries and policies adopted by the United States will tend to inhibit sharp or sudden changes in Soviet policies and to influence some degree of accommodation between impalatable and irreconcilable choices. This is not to say that there will not be times of serious tensions or threats of war among the major powers; and there will almost surely be armed clashes among smaller powers, armed intervention by major powers and internal revolutions which would attract the introduction of other outside forces. In an international political atmosphere dominated by uncertainties, the USSR will compete for influence and position; but the Soviet knowledge of misjudgment in the past and of the increasing complexity of international forces in the future should avoid drastic decisions involving clear U. S. interests.

Mutual nuclear deterrence is likely to persist between the U. S. and the USSR through the next decade. Present Soviet strategic force increases give the USSR a capability it has never had before, but an assessment of relative military capabilities is becoming increasingly complex. While the considerable growth in Soviet strategic forces is probably not sufficient in itself for the Soviet Union to run a high risk of nuclear confrontation with the U. S., potential options for moves in Third World areas will be created by the greater reach of Soviet conventional forces.

The relative tenseness of U. S.-Soviet relations is likely to depend more on the Soviet Union's assessment of its national interests, rather than on its strict adherence to Communist goals of world domination. Conservative and dogmatic tendencies are evident within the Soviet leadership, regarding both internal and external policies. Soviet leaders, both present and potential, seem likely to be antagonistic toward the United States, and are almost certain to follow an active and assertive foreign policy in their efforts to expand Soviet influence. U. S. and Soviet interests will continue to conflict in many parts of the world, and the U. S.-Soviet relationship is likely to continue

to oscillate between contention short of military confrontation and limited cooperation. All risks of military conflict cannot be precluded even if the Soviet Union tries to avoid direct conflict with the U. S. Miscalculations are possible and the Soviet Union could get involved by inadvertence or by judging mistakenly that the U. S. would not resist or intervene. A major variable in U. S.-Soviet relationships for the coming decade is the uncertain interaction between possible U. S. withdrawals and likely Soviet efforts to expand.

The Soviet Union seeks to become a modern and efficient industrial society, and greater attention is now being given to consumer demands. But the Soviet leaders, saddled with an antiquated Marxist economic system, remain faced with fundamental economic problems, such as the need for agricultural investment, the reform of the collective farm system and modernization of economic management and planning. Varying degrees of economic reform have been proposed, but prospects are for a continuation of the cautious approach and the primacy of central planning, with stubborn opposition to greater autonomy and freer play for market forces.

Resource allocation is a perennial problem requiring perplexing choices, and one cause for dispute within the leadership almost certainly has been ever-increasing military and space expenditures, which compete with insistently higher demands for agriculture, consumer services, roads and housing. Military and space expenditures are forced higher by global competition with the United States, but the Soviet economy is forced to absorb these costs. There is little or no likelihood that the Soviet leaders will be able to reduce arms spending without distinct, and as yet undetected, moves toward accommodation with the United States.

One important indicator of Soviet intentions toward accommodation with the West would be any change in the Soviet attitude toward the decentralization of the state monopoly of foreign trade. In international economic affairs, the Soviet leaders from Lenin onward, have stressed the key role of the monopoly of foreign trade on the Socialist economy. Up to now, the Soviet

economists have spiritedly rejected the cautious experimentation in Eastern Europe with the principle of state monopoly and the view that socialist industry needed to adjust to foreign market conditions and practices.

A few comments could be ventured about the future evolution of Soviet society, the prospect for basic changes and their effect on foreign policy. From the perspective of the past 10-15 years one can see definite changes. With the denigration of Stalinism has come a substantial modification of the system of terror as an instrument of power. The party, rather than the police, has emerged as the dominating instrument of control, which permits a greater discussion of problems and the introduction of various pressures on the decision-making process. Within strictly defined limits, an increased measure of personal and cultural freedom has accompanied a perceptibly higher standard of living.

In the foreign field, the modification of the theories of violent revolution and inevitable war set the stage to make the design of "peaceful coexistence" more plausible to the outside world. Yet the Soviet purpose in "peaceful coexistence", while fostering less tension, has not been to achieve harmonious relations, but to continue an active political struggle. Soviet leaders have been at pains to deny any prospect for the long-term coalescence of capitalism and socialism in the evolution of a "hybrid society".

Lower tensions from time to time have not modified the Soviet refusal to confront the basic sources of conflict with the U. S. The resolution of the central issues in Soviet-American relations will be difficult and prolonged and, as matters now stand, cannot be settled by immediate negotiation or compromise. In each case, a prerequisite is a radical shift in Soviet outlook and priorities which will only result from cumulative effects of many factors, some of which are:

- Key Factors:*
- (1) Further erosion of the militant and aggressive aspects of Communist ideology;
 - (2) Lack of success in expansionism and interventionism;

(3) Greater concern with the Chinese threat to Soviet security;

(4) Increased demands for internal consumption and welfare; and

(5) Decline in general fear of the West, especially Germany.

Soviet views are persistently held, and past experience suggests that the required shifts in Soviet attitudes will take an extended period of time, well beyond the end of the next decade. The Soviet state and leadership have made commitments which challenge U. S. political survival, and deserve to be treated with the greatest prudence for many years to come. Yet, various pressures for change are almost certain to continue. In the long run, the impact of the Soviet system on the outside world will depend in large part on economic power, whether by way of example, or in capacity to aid, or to threaten. Powerful world economic forces, managed realistically in an atmosphere of mutual advantage, could well influence Soviet economic developments. Competing claims for resources will continue to be a persistent problem. But there is no immediate or direct relationship between economic factors and changes in foreign policy. Trends in the West, in the less developed areas and within the Communist world may diverge from Soviet expectations and encourage gradual and de facto changes in policy or emphasis. Expansionist goals may take on more and more a neutralistic flavor. Soviet society will probably continue to evolve, with living conditions improving and an increased preoccupation with internal problems. But obstacles to internal political change are formidable and the structure of autocratic power will stubbornly resist modifications.

The process of change, which will probably be neither orderly nor steady, should produce, in time, a Soviet regime willing to curb its expansionism and to accept accommodation, but the requisite shifts will involve a prolonged historic process. The evolution over the next decade, however, will be important to show guide-lines and bench-marks which will give a better idea of how long the road may be.

MEMORANDUM

TO: Bob Haldeman
FROM: Sherm Unger
DATE: October 15th
RE: November 6th

Transition

Chalichman

Pursuant to your request here are my thoughts on November 6th. On that date, RN will be hit by an overwhelming barrage of politicoes, contributors and power brokers all of whom feel they hold an IOU and all seeking Federal appointments, jobs and influence. The best way to handle the problem is to have in being an organization charged with the responsibility of talking to these people, receiving their input, and making preliminary recommendations for appointments. This would allow RN to concentrate on more important things while placating the "friends" with whom we need to continue good relations.

This operation should be divided into several groups, one, and the most important, should be primarily concerned with the complex problem of Cabinet appointments (let me add parenthetically that I feel with these key appointments the qualities of loyalty and responsiveness to RN should outweigh national stature or political import -- for historical examples of the problems that can develop when the first qualities fail to outweigh the latter read the appropriate chapters in Neustadt's Presidential Power). Another group which should be subdivided, should bear the responsibility of locating and recruiting people of specialized talent for specific responsibilities.

With reference to the second group subcommittees could, for example, concentrate on: (A) HUD with its crucial positions supervising demonstration cities and metropolitan planning schemes (these can be levers against Democrat urban machines) as well as urban renewal and open space program; (B) Bureau of Budget with its obvious need for topflight personnel with the political experience to evaluate and budget key programs with an eye toward their political impact; (C) IRS with politically oriented personnel in key positions early for obvious reasons; (D) an examination of Government Commissions with an eye toward expanding the staffs and turning over the personnel; (E) the immediate selection of U.S. Attorneys and Marshals. There are 93 U.S. Attorneys with 797 Assistants authorized and 93 U.S. Marshals with 684 Deputies authorized. Most of the appointees are subject to at least veto from state political organizations, but should not under any circumstances be hacks. This is an immediate opportunity to put into position a nationwide political organization of our own, if the recruiting is done with care (but quickly, while there are plenty of slots around to give the second raters). Having just spent 3 months talking all day to our political types (down to county and city chairmen) around the nation, having practiced law for more than 15 years, and being interested in the development

of political organizations this is an area in which I might be of specific assistance, as we discussed, and an area in which I would be interested.

If this outline meets with your approval, I would like to start on a more detailed plan to handle the problems involved, since there are only 76 days from election to inauguration and there is much to be done in that period. We can discuss this further when you have time.

AGNEW

Campaign Committee
450 Park Avenue
New York, New York 10022
(212) 661-6400

Travitt

MEMORANDUM

October 21, 1968

TO: RN

FROM: Glenn Olds *GO*

SUBJECT: Staffing the President on ideas and planning for the future

A recurring theme from top leaders of industry, government, the professions and academia I have interviewed over these past six months, is how little impact the frontiers of knowledge have on the content and conduct of government. They complain that the President, who presides at the center of government, is rarely and poorly staffed to utilize the latest insight of the various institutes, centers, research and development, for both planning and management. They point out there is not even a central computer system for the White House to compile and coordinate contemporary information for decision making, much less, long range planning. They remark that entrenched habit, bureaucracy, and repetition of mistakes thrive in a climate where there is little consistent attention given to the input of "break through", and future-looking ideas.

Though not peculiar to government, this problem generally is giving rise to specialized institutes (the most recent, Institute for the Future, Middletown, Connecticut) whose principal function is to focus new ideas on the planning and management of the future. The pace of change and the magnitude of present problems and their interrelation, make this one of the most urgent requirements of the Presidency. Because Presidential responsibility covers the entire range of national problems, it must be informed by the most contemporary, comprehensive, and integrative information and ideas available - not only from within but beyond the resources of government. The issues are too grave to be left to the slow bureaucratic process of "bubbling to the top" or the ad hoc chance of random ideas filtering in from outside. What is required is systematic provision for this staffing function within the White House, properly linked and programmed to the major centers inside and outside government at work in these frontier areas.

Recommendation:

That following the election you appoint a special assistant and small, select staff whose principal purpose is to provide a comprehensive contemporary, and continuous editing and input of ideas for the future, to inform your thinking, planning, and management of government.

cc: Messrs. Mitchell, Haldeman, Garment and Keogh



MEMORANDUM

File

~~To JDE~~
~~RN~~

FOR: Files

FROM: T. W. Evans

TWE

October 22, 1968

I talked today with Fredrick Kappel who, among other things, is Chairman of the President's Commission on Federal Salaries. Previously Mr. Kappel had sent me the attached materials. Perhaps the most informative is the newspaper article speculating on salary increases in key positions. Mr. Kappel noted that his initial report had been turned in in June, 1967 and has not been made public. The next meeting of his committee, and probably the last meeting, will be held before December 1, when the final report is due.

It would probably be appropriate to get back in touch with Mr. Kappel after November 5, if our interest in this matter continues. In the meantime, I am sending to the Government Printing Office for the Randall and Folsom Reports, which were the reports of predecessor commissions in this area and which Mr. Kappel admits had great influence on present thinking.

CC: John Mitchell



Pay Raises for Civilian, Military Personnel Will Cost More Than \$2 Billion Annually

W. J. ...

By Jerry Klutz

More than 5.5 million Federal civilian and military personnel are in line next year for pay raises that will cost in excess of \$2 billion annually.

The first of the planned series of salary increases could be effective as early as next Feb. 15, for the Vice President, Cabinet members, Federal judges, members of Congress and other Federal executives who haven't had salary adjustments since 1964.

More than 2 million classified, postal and related employes have been promised, by law, another raise next July 1 that will make their salaries fully comparable with private pay rates. They have had six increases over the past six years.

The 1969 increases are expected to average "a minimum of 8 per cent" for the 1.3 million classifieds and related employes, and "about 5 per cent" for the 736,000 postal workers. Last July's 5 per cent raise on top of a 6 per cent increase 9 months earlier was supposed to have brought most postal salaries to parity levels with private industry.

Another law guarantees the 3.5 million military personnel the same percentage increase given classifieds. If classifieds get 8 per cent next July 1, so will the military under that statute.

The 8 and 5 per cent average figures are "rough projections" made by the Bureau of Labor Statistics which has not completed its annual task of comparing Federal pay rates with salaries for similar jobs in industry. BLS' final report of its study made last June

and July won't be ready for about six weeks.

But BLS was persuaded to make rough estimates of the probable 1969 raises by the Kappel Committee, which must recommend adjustments in the salaries of Federal executives to the President by Dec. in the salaries of Federal executives needed by the Committee to guide it in its recommendations.

If all goes as planned, Mr. Johnson will earmark funds in his 1970 budget, to be sent to Congress in early January, to finance higher salaries for Federal executives. In fact, the law requires this to be done.

Also as provided by law, Mr. Johnson will send the report of the Kappel group to Congress, perhaps by Jan. 15—only five days before he retires. Congress would then have just 30 days to act on the report. Otherwise it would go into effect automatically.

Congress could only block the recommendations by casting a majority vote to disagree with all or a part of its recommendations, or by approving legislation of its own to adjust executive salaries.

The law that set up the procedure for the review of executive salaries every four years by a high-level citizen group was approved last December. It was written by Rep. Morris K. Udall (D-Ariz.). In essence, it gives Congress veto power over pay rates recommended by citizen study committees.

Mr. Johnson appointed Frederick Kappel, former president of American Telephone & Telegraph Co., chairman of the nine-member panel, and his appointees also

includes AFL-CIO President George Meany and John Corson, a management specialist. Two members each were appointed by the Vice President, Speaker of the House and President of the Senate.

Kappel, Meany and Corson were all members of a panel that advised the President, at his behest, on pay raises for Federal executives. Mr. Johnson shelved their recommendations and wouldn't make them public.

Whatever the President's reasons for sitting on the first report, he's likely to get somewhat similar proposals from the Kappel committee, which was set up by law. And the President is required to act on it.

The first Kappel report is known to have recommended these salary increases:

Vice President, \$43,000 to \$60,000; Chief Justice of the United States, \$40,000 to \$60,000; Associate Justices of the Supreme Court, \$39,500 to \$58,000; Cabinet members, \$35,000 to \$55,000; members of Congress, \$30,000 to \$45,000.

Heads of independent agencies such as VA, Space and General Services, \$30,000 to \$45,000; Undersecretaries, \$30,000 to \$41,000; Assistant Secretaries, \$30,000 to \$40,000, and members of boards and commissions, \$28,000 to \$35,000.

In their platforms, both major political parties have embraced the principle of salary comparability for Federal

employes and the next administration, no matter who is elected President, isn't likely to junk it.

This means the new President must earmark over \$2 billion in his 1970 budget to finance Federal pay raises, and an amount of that magnitude won't be easy to find.

The new President also will soon learn that postal employes won't be satisfied with their July 1 raise, comparability or not. In fact, the National Postal Union wants the comparability principle junked, and it will demand a 15 per cent increase next year.

Military pay rates are another salary problem the next President and Congress must face. The Pentagon wants them overhauled and tied closely with pay rates and benefits for white-collar classifieds.

On paper, the Pentagon plan proposes major pay

raises for military personnel under a "total compensation" concept. But military people who now get "free" retirement benefits would have to contribute 6.5 per cent of their salaries to a retirement fund like their counterparts in the Civil Service.

Allowances and differentials, now separate from basic military salaries, would be a part of basic pay.

FRANK G. SISCOE
October 22, 1968

SUBJECT: Exchanges Program with Soviet Union -- Its Value and Future
Usefulness

RECOMMENDATION: The exchanges program with the Soviet Union, now ten years old, has had qualified success; and it is in the United States' interest that the program be continued and, where possible, expanded.]

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The first U.S. - U.S.S.R. Exchanges Agreement was signed on January 27, 1958, and on May 25, 1960, despite a change in the political climate, President Eisenhower said: "We must continue businesslike dealings with Soviet leaders on outstanding issues and improve contacts between our own and the Soviet peoples." A new two year agreement was signed in June, although the volume of exchanges provided is reduced. The 1968 agreement like its predecessors covers exchanges of delegations and visits in scientific, technical, educational, cultural and other fields. The Soviet negotiators insisted on obtaining a reduction in the number of exhibits and in the numbers of graduate students to be exchanged. |

From the beginning the United States has carried on exchanges with the Soviet Union in the full knowledge of their limitations: they are not a strong enough vehicle to reform the Soviet Union nor to solve outstanding problems which divide the two countries. But they are useful to the United States because the information obtained helps to evaluate development of the Soviet Union and in the long run they may help to influence the Soviet Union in more constructive directions. |

The United States and the Soviet Union have had radically different goals in the exchanges program. The Soviet primary goals appear to be twofold: to obtain scientific and technical information, and to portray a favorable picture of the Soviet Union and Soviet policies. To the Soviet emphasis on technical information and abundance of exchanges in broad cultural fields, the United States has responded with an insistence on a balanced program, with reciprocal opportunity and mutual advantage for both sides. The going has not been easy. The Soviet authorities have been determined to keep alien influences within controlled bounds, have recurrently demonstrated concern over the political impact of exchange visits and have consistently resisted any attempts to enlarge the U.S. - U.S.S.R. exchanges program.

The State Department develops and coordinates policies for the U.S. - U.S.S.R. exchanges program and several departments and agencies significantly assist in its development. Since governmental funds for the program are limited for most exchanges the U.S. Government is dependent upon private organizations for financing and programming. It is estimated that private financial support has been at least as large as the official funds expended. | The U.S. - U.S.S.R. exchanges program is a splendid example of the cooperation between the private and governmental sections.

A major expansion of the exchanges program would reflect a fundamental turn in U.S. - U.S.S.R. relations and drastic changes in Soviet attitudes toward the United States and controls over Soviet society. There is little chance in the foreseeable future of obtaining any significant increase in U.S. - U.S.S.R. exchanges.

However, the program should be reviewed carefully in light of prevailing conditions to determine steps to strengthen it. The most effective field of exchanges has been education and a special effort should be made to increase the number of scholars studying for an academic year. The recruitment effort in the United States should be directed toward interesting higher caliber graduate students in fields besides Russian history and literature to apply for the program. Some thought should be given to a trainee exchange program in business and professional fields such as law, accounting, social work, engineering trade and the arts. Additional financial support is essential and consideration should be given to a separate line funding of the Soviet (and Eastern European) programs. Up to now no governmental funds have been appropriated directly for the program, but expenses are defrayed by the several interested governmental departments and agencies and private organizations. Past experience shows that these exchanges could have been increased if additional funds had been available.

Despite the lack of prospects for expansion, United States negotiators should seek every possibility of enlarging the program, consistent with national security and the principle of reciprocal advantage. However, it should be recognized at all times that the beneficial effects of the program which is deliberately kept small by the Soviet Union, are of an indirect nature and can be felt only over a period of years.

The program is peripheral to the main issues confronting the United States and the U.S.S.R. and undue emphasis should not be placed upon its successes if any. Such claims only make the Soviet leaders more suspicious. Nevertheless, the U.S. - U.S.S.R. exchanges program has had qualified value in the past and if handled well could help to produce a better climate for more fundamental U.S. - U.S.S.R. activities in the future.

One of the most important of these mutual activities is the development of U.S. - U.S.S.R. foreign trade. This field, however, must be approached in a realistic manner, and different from the argument described by Theodore C. Sorensen in "Why We Should Trade with the Soviets" in Foreign Affairs for April, 1968. In this article Sorensen tends to blame the Export Controls Act for the low level of trade, but fails to note that both Soviet exports and imports are fully controlled by the Soviet foreign trade plan and that the Soviet state monopoly of foreign trade places drastic restrictions on trade possibilities. The U.S. should, however, take the initiative in a combined governmental - private industry approach, to discuss thoroughly all obstacles to trade and, most importantly, should press for Soviet approval for American firms to have places of business in the Soviet Union and to negotiate with wholesalers, suppliers of raw materials and others in addition to the foreign trading companies.