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THE WHITE HOUSE

WASHINGTON

March 9, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

FROM:

SUBJECT:

BRENT SCOWCROFT

JIM CONNOR JEE HUMAN EVENTS Article

The attached March 13, 1976 edition of HUMAN EVENTS was returned in the President's outbox with the following notation:

"Note similarity between first page article and Sunday answer on TV."

Please follow-up with appropriate action.

cc: Dick Cheney

THE WHITE HOUSE WASHINGTON Min. Scowingt Mote similarity between Mote similarity & hundary + page article & hundary + TV.

C1976 by Human Events Inc.

MARCH 13, 1976

THE NATIONAL CONSERVATIVE WEEKLY

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Cynical Turnaround on Castro

Should Republicans Trust Jerry Ford?

Just prior to the Florida primary this week-where the Cuban vote may well be instrumental in the outcome-President Ford said that he was no longer going to use the word "detente" to describe his policies. And only days before that, the President brought to their feet a Miami audience comprised largely of Cuban refugees by branding Fidel Castro "an international outlaw" who "committed a flagrant act of aggression by sending Cuban troops to intervene in the Angolan civil war." Warming up his growingly enthusiastic audience, Ford exclaimed that "My Administration will have nothing to do with the Cuba of Fidel Castro."

President Ford talks an awfully good game come election time, but the truth, contrary to the hard-line impression he has tried to convey, is that his Administration has taken this country to the brink of formal diplomatic relations with Fidel Castro's Cuba.

Ford has unsuccessfully, but strenuously, tried to lead this nation toward a "detente"—or however the President now chooses to designate his policy with Fidel. Moreover, the President, despite Cuba's outrageous intervention in Angola, the hint that Cuban forces will begin to be employed against Rhodesia and Southwest Africa and Castro's open, avowed efforts to "liberate" Puerto Rico, has yet to rescind a single one of the several concessionary moves his Administration has made toward Cuba.

Consider, for instance, just some of the following pro-Castro gestures President Ford and his secretary of state, Henry Kissinger, have made:

• In signalling a switch toward detente, the Ford Administration picked in late 1974 William D. Rogers to fill the senior Latin American policy post in the State Department. Rogers served on *McGovern's* Latin American task force in 1972, which condemned America's "hostility" toward Castro, called for lifting the embargo on Cuba and said: "Castro' presents no military threat to the security of any other nation, to say nothing of the United States."

• On February 17 of last year, the State Department confirmed that it had relaxed rules that had restricted the travel privileges of Cuban officials to a 25-mile radius around New York City. Although the FBI has constantly warned of increased espiration activities by Communist bloc countries, the State De-



partment allowed Cuban diplomats to travel 250 miles outside of Gotham.

• In March of 1975, Henry Kissinger, addressing a Houston audience, made a major overture toward Fidel Castro, saying the U.S. was "prepared to move in a new direction" in its policy toward Cuba, and that he would consult with Latin American leaders on how to end Cuba's hemispheric isolation.

 In San José, Costa Rica, July 30, 1975, the Organization of American States, with support from the United States, voted to end the 11-year-old formal OAS policy of diplomatically and economically isolating Cuba. The U.S. vote in favor, reported the Washington Post, "was the key" to the change in policy. "Delegates and newspaper re-porters," noted the reliable research source, Facts on File, "characterized the U.S. as a prime mover in the effort to lift the Cuba sanctions at San José " By removing the sanctions. all 015 members were permitted to trade with Cuba without fear of U.S. retaliation.

• On August 21 of last year, the United States relaxed its own commercial embargo against Castro, lifting its 12-year-old ban on exports to Cuba by foreign subsidiaries of American companies. The changes in U.S. policy, as announced by the State Department, were the following:

(a) Licenses would immediately be granted to permit transactions between U.S. subsidiaries and Cuba for trade in foreign made goods, (b) Nithins mise ships or aircraft carried goods to or from Cuba would no longer be "penalized by loss of U.S. bilateral assistance."; (c) The Ford Administration would modify regulations that prevented refueling in the U.S. by foreign merchant ships engaged in trade with Cuba: (d) The Administration would ask Congress to change legislation prohibiting nations that traded with Cuba from receiving U.S. food under Public Law 480.

• In December of last year, the United States voted with the majority of members in the OAS to terminate the activities of the Special Consultative Commission on Security, which was established in 1962 for the express purpose of examining Castro's efforts to export subversion. The last report of the commission—published in November said: "Castroite agents are now infiltrating the structure of Latin American countries and the United States and are also utilizing I atin and North American atoms in the structure of the KGB."

The campaign to "normalize" relations with Cuba has been intensively waged by both deed and word. In April of last year, U.S. State Department official kempton B. Jenkins told the Mexican newspaper Excelsior that Cuba had stopped exporting subversion, had freed the majority of its political prisoners, that its relations with the Soviet Union were more technical than military and that Cuba is "not a threat to the United States."

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oximately 71 per cent of all handguns now sold in e United States would have been banned.

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The decision to send the Russo measure back to becommittee came in response to a motion by Rep. nomas F. Railsback (R.-III.). Railsback said his otion was "not meant to sound the death knell for assonable gun control legislation," but he argued that usso's legislation would go "too far." He said he unted the subcommittee to adopt criteria banning e manufacture of so-called "Saturday Night Speals"—a move that would ban about 50 per cent of e guns sold in the United States.

Of course many foes of gun control would go much further in their opposition to the Russo measure than Railsback, preferring no limitation on handgun manufacture whatsoever. And for these citizens the significance of last week's vote was that it may kill any legis'ation for the rest of the year.

"That's it. That kills gun control legislation for this ssion," liberal-left Rep. Robert F. Drinan (D.lass.) lamented after the vote. Most of the other suporters of harsh gun control measures on the comittee tended to agree with Drinan's assessment, lough committee Chairman Peter W. Rodino (D.-J.), subcommittee Chairman John Conyers and a w others maintained that a bill might yet be possible.

Rodino, Rep. John F. Seiberling (D.-Ohio) and ther liberals on the committee complained of being besieged by calls and mail" against the measure and "a "blatant" and "crass lobbying campaign" against

In response to such charges, conservative Rep. Il Ketchum (R.-Calif.), an outspoken opponent of beral gun control measures, noted that "Many comittee members have complained that this citizen fort constituted a 'blatant and crass lobbying camign.' I disagree! We are supposedly here to reprent the people. If those citizens let it be known that ey oppose a piece of legislation, it seems to me we twe a clear-cut signal that the bill in question is ardly in our citizens' best interests."

Ketchum said in a news release that he does not exct that any gun control will be enacted this year. evertheless, he urged all those who are opposed to ch legislation to "keep on calling and writing. Obously, Congress listens...but the proponents of gun ntrol are dogged and determined. If you wish to serve your constitutional right, you must continue let your will be known."

Following is the 17-to-16 rollcall vote by which the buse Judiciary Committee acted on March 2 to remmit the Russo gun-control legislation to the submmittee, thereby possibly killing any gan legislan for the remainder of this year:

FOR RECOMMITAL: 17

EMOCRATS (7): BROOKS (Tex.), DANIELSON (Calif.), FLOWERS [a.), HUNGATE (MO.), MANN (S.C.), MEZVINSKY (Iowa) and THISON (N.Y.).

PUBLICANS (10): ANHROOK (ONO), BETTER (VA.), COUES aine), FISH (N.Y.), HUTCHINSON (Mich.), HYDE (11), KIND-55 (Ohio), MOORHEAD (Calif.), RAILSBACK (11), and WIGGINS alif.).

AGAINST RECOMMITATE 16

PUBLICANS (D) MCCEORY (BL)

Federal Unit Calls For Postal Competition

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Conservatives for years have been urging an end to the U.S. Postal Service's—and before that, the Post Office Department's—monopoly on first-class mail delivery, arguing that the consumer would be better served through free competition. Now even the federal Council on Wage and Price Stability—the successor agency to the one that administered Nixon's wage and price controls—has come out for de-monoppolizing the mails.

Responding to an invitation from the Postal Rate Commission to make recommendations concerning the so-called Private Express Statutes outlawing the private, for-profit delivery of first-class mail, the Wage-Price Council has produced a detailed, 66-page analysis of the issue. The Council's conclusion:

"In addition to promoting allocative efficiency, relaxation or repeal of the Private Express Statutes might be expected to promote operating efficiencies within the postal system. It would likely stimulate managerial efficiency, stimulate innovation and changes in postal technology, and restrain increases in postal labor costs reflecting improved productivity."

The study notes that one of the purposes of the Postal Reorganization Act of 1970 was to put the Postal Service on a pay-as-you-go basis and thereby end the need for taxpayers' subsidies. Yet, says the Council's study, even after the recent 30 per cent hike in first-class delivery rates and a 26 per cent jump in postal rates overall, the Postal Service is still expected to run up a deficit of \$1.4 billion during the current fiscal year.

Another reason for concern, says the Council, is that "First-class postal rates have increased faster than the general price level as measured by the Consumer Price Index (CPI) for services." Thus, the Council notes that, between May 1, 1971, when firstclass rates were increased from six cents to eight cents and last November, first-class rates rose by 63 per cent. (If the latest hike, from 10 to 13 cents, is included, then the increase amounts to over 116 per cent in a period of less than five years.) Yet during the same period (through November 1975) that the cost of mailing a first-class letter was rising by 63 per cent, the consumer price index went up only 35 per cent.

The study cites a number of ways that opening firstclass mail delivery to competition can be expected to exert downward pressure on the costs of American postal service. Perhaps most significantly, competition could be expected to have a moderating influence on the wages of postal employes—a factor which is particularly important because, in the words of the study. "Postal labor costs account for approximately 85.9 per cent of the postal budget, and this percentage has risen over the period 1968 to 1975, from 81.9 per cent" to the current level.

The study notes that the Postal Reorganization Act "colls for postal employes' compensation to be 'comparable' to that of workers in the private sector of the economy." But unlike the salary schedule for other federal employes, which is based upon an annual survey of pay for comparable positions in the private sector, the study points out that "postal employes negotiate their pay increases through collective bargaining with postal management."

"Thus," the study continues, "while comparability in one instance is to be achieved by comparisons with other workers, for postal workers the collective bargaining process, itself, is relied upon to achieve comparability." And, as in Orwell's *Animal Farm* where some animals were "more equal" than others, it appears that collective bargaining has resulted in postal wages that are "more comparable" than others.

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Inside

The study points out that, "Comparing average pay for postal workers with average earnings for private sector workers,...not only did postal workers start at a higher rate in 1970 than did nonsupervisory workers in the private nonfarm economy, but the wage gap between the two widened. Between 1970 and 1975, the cents per hour differential approximately doubled."

This is illustrated in the study by a table showing that in 1970 postal workers were receiving an average hourly income of \$4.05 while their counterparts in the private nonfarm economy were getting only \$3.23. A half-decade later in 1975 postal pay had shot up to \$6.11, an increase of 50.9 per cent in the five-year period, while average pay in the private sector had risen to \$4.53, a rise of 40.2 per cent.

In 1975, then, postal workers were receiving hourly pay some 34-plus per cent above what private-sector workers were getting, which hardly conforms with the law's requirement of comparability. Yet even these figures tend to understate the

advantage enjoyed by postal workers, the Wage-Price Council observes, since postal union fringe benefit packages are superior to that of other civilian employes of the federal government, who in turn "are generally thought to receive a somewhat more generous package of benefits than private sector workers...."

Moreover, the study points out, "Employe compensation is only a part of the labor cost picture; productivity increases are equally important to an effort to slow the rise of unit labor costs." And in this regard, the study notes that "The postal agreement contains several provisions that limit management's ability to utilize the labor force in the most efficient manner—particularly the restricted use of part-time employes."

Continued from Page 1

Should Republicans Trust Jerry Ford?

In September of last year, even as the evidence about Castro's efforts to subvert Puerto Rico began mushrooming, President Ford's adviser on Hispanic all'dis, Lernando F. C. DeBaca, considered a key spokesman on Cuban matters, said: "It seems inconsistent to, me to have detente with the Soviet Union and to treat Cuba differently."

In other words, President Ford has purposely tried to mislead the American people, particularly the Cuban community, as to his own Administration's enormous efforts to cozy up to a country he now says is an "international outlaw" that he will "have nothing to do with." But the real question to be pondered is this: If President Ford has truly changed his mind about Cuba, why hasn't he begun to reimpose the sanctions against Cuba that he unilaterally dropped? Or is by the field that he hard mean world do stroy a certain foreign policy which, by executive hat,

now has no neared?