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**TENTATIVE SCHEDULE
OF
CONTACTS ON TRADE LEGISLATION**

March 7, 1973

CONGRESSSENATELeadership:

✓ Mansfield }
Byrd }

✓ Scott }
Griffin }
Bennett }
Tower }
Cotton }

Finance:

✓ Long
✓ Palmadge
✓ Ribicoff
✓ H. Byrd, Jr.
Mondale
✓ Bentsen

✓ Curtis }
Fannin }
Packwood }
Roth }

Hansen }
Dole }

Hartke }
Nelson }
Gravel }

Banking Housing & Urban A.

✓ Sparkman
Weicker

Contacts

Date

Comments

PMF

Feb. 23, 10:30 am

PMF

Feb. 15, 3:30 pm

Republican leader-
ship advised con-
sulting with Mans-
field

PMF

Feb. 22, 8:45 am

PMF

March 2, 9:00 am

PMF

Feb. 21, 2:30 pm

PMF (we)

Feb. 23, 11:30 am

Pearce

PMF (we)

Feb. 26, 4:00 pm

PMF (we)

Feb. 27, 2:30 pm

Had been invited to
Curtis meeting but
did not attend.

Eberle

PMF (we)

Feb. 22, 9:30 am

PMF

March 13, 4:00 pm

SENATE Cont.

Foreign Relations

Fulbright }
Aiken }

✓ Javits

Commerce:

✓ Magnuson

Contacts

PMF & Casey

PMF & Shultz

PMF & Dent

Date

March 9, 4:30 pm

March 1

Feb. 28, 5:00 pm

Comments

Maybe the whole committee, but after Long has been seen and the bill is in good sha

HOUSE

Leadership:

✓ Albert }
O'Neill }

Ford }
✓ Arends }
Schneebeli }

Ways & Means:

✓ Mills
Ullman
Waggoner
✓ Conable

Republican group:
Schneebeli }
Broyhill }
Pettis }
Brotzman }
✓ Rhodes }
Chamberlain }
Conable }
Anderson }
Archer }
Duncan }

Banking and Currency:

✓ Reuss
✓ Ashley }
Johnson }
✓ Stanton }
Blackburn }
Widnall }

Contacts

Date

Comments

PMF

Feb. 27, 11:00 am

PMF

Feb. 22, 4:00 pm

PMF

Feb. 24 in Arkansas

PMF (we)

March 7, 1:00 pm

PMF (we)

March 12, 9:30 am

PMF

Feb. 20, 9:00 am

PMF

Feb. 27, 9:00 am

PMF (we)

Feb. 23, 4:30 pm

PMF

Feb. 22, 5:00 pm

PMF

Feb. 22, 3:00 pm

HOUSE Cont.

Contacts

Date

Comments

Foreign Affairs:

Morgan
Mailliard }

PMF & Casey

March 8, 9:00 am

Commerce:

Staggers
Devine

PMF & Dent
PMF & Dent

March 5, 3:30 pm
March 7, 9:15 pm

BUSINESS

	Contact	Date	Comments
Sandy Trowbridge } Conf. Board } Arch Booth } CAC } Doug Kenna } NAM }	PMF, Dent & Eberle	Feb. 20, 4:00 pm	
Howard Clark Business Council	PMF	Feb. 14, 5:00 pm	
Don Kendall } Bob McNeill } ECAT }	PMF	Feb. 14, 3:00 pm	
Roger Flemming } Bill Kuhluss } American Farm }	PMF & Butz	Feb. 22, 11:00 am - 1:00 pm.	
John Scott } Bob Frederick } Grange }	PMF & Butz	March 12, 4:30 pm	

THE WHITE HOUSE

WASHINGTON

March 17, 1973

MEMORANDUM FOR: SECRETARY SHULTZ
PETER FLANIGAN

FROM: WILLIAM E. TIMMONS

SUBJECT: Taxes and Trade Legislation

The President called Chairman Mills today regarding the need to consider the trade legislation promptly.

Mills said if Secretary Shultz would testify before the Committee on taxes on Monday, April 30, he would then set aside tax reform legislation and move to consider trade on May 1. The Chairman also suggested a Presidential bipartisan meeting on trade for the afternoon of April 30.

The President agreed to this arrangement.

My personal view is that Secretary Shultz may be able to testify on taxes in a general nature at that time, reserving specific proposals for when the committee resumes consideration of taxes after the trade bill. Also, I much prefer a bipartisan meeting on trade be held the week of April 9 with the trade message transmitted to Congress at the same time. Because of the Easter recess, the legislation would not be hanging loose too long.

At any rate, perhaps we should get together soon and plot a strategy.

cc: John Ehrlichman
Ken Cole
✓ Dick Cook DC

THE WHITE HOUSE

WASHINGTON

March 20, 1973

MEMORANDUM FOR THE PRESIDENT

THROUGH: WILLIAM E. TIMMONS
FROM: RICHARD K. COOK *RKC*
SUBJECT: Joint Session Address

John Ehrlichman asked that I put the following thoughts in a memo to the President.

If the President is considering addressing a Joint Session of Congress during the first half of 1973, it is my feeling that the forthcoming trade message provides a convenient vehicle for a timely address to the Congress and the public.

First, by any standard the trade bill will be a major legislative issue in 1973 requiring Presidential leadership. Moreover, the trade package seems to be taking shape in a form that will lead to eventual legislative success in the House and Senate.

Perhaps more important, a joint session address on trade appropriately would lead to discussion by the President of such collateral issues as:

1. Current and future international monetary challenges.
2. The need for greater international cooperation in both trade and monetary affairs.
3. Calling forth greater efforts by U. S. labor and management to compete in the new, peaceful international competitive climate.
4. Asking all to join in the battle against inflation and wasteful spending at home.
5. Raising a challenge to Americans for renewed dedication of purpose, such as the President so effectively did on August 15, 1971.

cc: Mr. Ehrlichman Mr. Friedersdorf
 Mr. Flanigan Mr. Korologos
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 Mr. Timmons Mr. Johnson

RKC:mco



April 4, 1973

MEMORANDUM FOR: BILL TIMMONS
FROM: DICK COOK
SUBJECT: Trade Message

I have no problem with the contents of the proposed trade message.

However, the tone seems to emphasize the goals of expanded and freer trade.

From a political as well as Congressional standpoint, the emphasis should be shifted to underline the "I'll get even with you if you don't trade fairly" aspects of the package.

After all, the pressure on this bill will be from the protectionists in Congress, not the free traders. The pressure will come much stronger from AFL-CIO than Don Kendall and his EGAT people.

By pitching the message to the Right of Center, we can try to pacify the protectionists while giving advance warning to free trade and business circles to understand why the President is compelled to do so.

RKC:mco



April 5, 1973

TO: LEWIS DESCHLER
FROM: DICK COOK

Lew:

I appreciate your willingness to give me an unofficial reading on committee jurisdiction on the attached draft bill.

Many thanks.

Attachment

ante trust



Office of the White House Press Secretary

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

The Trade Reform Act of 1973, which I am today proposing to the Congress, calls for the most important changes in more than a decade in America's approach to world trade.

This legislation can mean more and better jobs for American workers.

It can help American consumers get more for their money.

It can mean expanding trade and expanding prosperity, for the United States and for our trading partners alike.

Most importantly, these proposals can help us reduce international tensions and strengthen the structure of peace.

The need for trade reform is urgent. The task of trade reform requires an effective, working partnership between the executive and legislative branches. The legislation I submit today has been developed in close consultation with the Congress and it envisions continuing cooperation after it is enacted. I urge the Congress to examine these proposals in a spirit of constructive partnership and to give them prompt and favorable consideration.

This legislation would help us to:

-- Negotiate for a more open and equitable world trading system;

-- Deal effectively with rapid increases in imports that disrupt domestic markets and displace American workers;

-- Strengthen our ability to meet unfair competitive practices;

-- Manage our trade policy more efficiently and use it more effectively to deal with special needs such as our balance of payments and inflation problems; and

-- Take advantage of new trade opportunities while enhancing the contribution trade can make to the development of poorer countries.

Strengthening the Structure of Peace

The world is embarked today on a profound and historic movement away from confrontation and toward negotiation in resolving international differences. Increasingly in recent years, countries have come to see that the best way of advancing their own interests is by expanding peaceful contacts with other peoples. We have thus begun to erect a durable structure of peace in the world from which all nations can benefit and in which all nations have a stake.

This structure of peace cannot be strong, however, unless it encompasses international economic affairs. Our progress toward world peace and stability can be significantly undermined by economic conflicts which breed

more

political tensions and weaken security ties. It is imperative, therefore, that we promptly turn our negotiating efforts to the task of resolving problems in the economic arena.

My trade reform proposals would equip us to meet this challenge. They would help us in creating a new economic order which both reflects and reinforces the progress we have made in political affairs. As I said to the Governors of the International Monetary Fund last September, our common goal should be to "set in place an economic structure that will help and not hinder the world's historic movement toward peace."

Toward a New International Economic Order

The principal institutions which now govern the world economy date from the close of World War II. At that time, the United States enjoyed a dominant position. Our industrial and agricultural systems had emerged from the war virtually intact. Our substantial reserves enabled us to finance a major share of international reconstruction. We gave generously of our resources and our leadership in helping the world economy get back on track.

The result has been a quarter century of remarkable economic achievement -- and profound economic change. In place of a splintered and shattered Europe stands a new and vibrant European Community. In place of a prostrate Japan stands one of the free world's strongest economies. In all parts of the world new economic patterns have developed and new economic energies have been released.

These successes have now brought the world into a very different period. America is no longer the sole, dominating economic power. The new era is one of growing economic interdependence, shared economic leadership, and dramatic economic change.

These sweeping transformations, however, have not been matched by sufficient change in our trading and monetary systems. The approaches which served us so well in the years following World War II have now become outmoded; they are simply no longer equal to the challenges of our time.

The result has been a growing sense of strain and stress in the international economy and even a resurgence of economic isolationism as some have sought to insulate themselves from change. If we are to make our new economic era a time of progress and prosperity for all the world's peoples, we must resist the impulse to turn inward and instead do all we can to see that our international economic arrangements are substantially improved.

Momentum for Change

The United States has already taken a number of actions to help build a new international economic order and to advance our interests within it.

-- Our New Economic Policy, announced on August 15, 1971, has helped to improve the performance of our domestic economy, reducing unemployment and inflation and thereby enhancing our competitive position.

-- The realignment of currencies achieved under the Smithsonian Agreement of December 18, 1971, and by the adjustments of recent weeks have also made American goods more competitive with foreign products in markets at home and abroad.

-- Building on the Smithsonian Agreement, we have advanced far-reaching proposals for lasting reform in the world's monetary system.

-- We have concluded a trade agreement with the Soviet Union that promises to strengthen the fabric of prosperity and peace.

-- Opportunities for mutually beneficial trade are developing with the People's Republic of China.

-- We have opened negotiations with the enlarged European Community and several of the countries with which it has concluded special trading agreements concerning compensation due us as a result of their new arrangements.

But despite all these efforts, underlying problems remain. We need basic trade reform, and we need it now. Our efforts to improve the world's monetary system, for example, will never meet with lasting success unless basic improvements are also achieved in the field of international trade.

Building a Fair and Open Trading World

A wide variety of barriers to trade still distort the world's economic relations, harming our own interests and those of other countries.

--- Quantitative barriers hamper trade in many commodities, including some of our potentially most profitable exports.

-- Agricultural barriers limit and distort trade in farm products, with special damage to the American economy because of our comparative advantage in the agricultural field.

--- Preferential trading arrangements have spread to include most of Western Europe, Africa and other countries bordering on the Mediterranean Sea.

-- Non-tariff barriers have greatly proliferated as tariffs have declined.

These barriers to trade, in other countries and in ours, presently cost the United States several billion dollars a year in the form of higher consumer prices and the inefficient use of our resources. Even an economy as strong as ours can ill afford such losses.

Fortunately, our major trading partners have joined us in a commitment to broad, multilateral trade negotiations beginning this fall. These negotiations will provide a unique opportunity for reducing trading barriers and expanding world trade.

It is in the best interest of every nation to sell to others the goods it produces more efficiently and to purchase the goods which other nations produce more efficiently. If we can operate on this basis, then both the earnings of our workers and the buying power of our dollars can be significantly increased.

But while trade should be more open, it should also be more fair. This means, first, that the rules and practices of trade should be fair to all nations. Secondly, it means that the benefits of trade should be fairly distributed among American workers, farmers, businessmen and consumers alike and that trade should create no undue burdens for any of these groups.

I am confident that our free and vigorous American economy can more than hold its own in open world competition. But we must always insist that such competition take place under equitable rules.

The Urgent Need for Action

The key to success in our coming trade negotiations will be the negotiating authority the United States brings to the bargaining table. Unless our negotiators can speak for this country with sufficient authority, other nations will undoubtedly be cautious and non-committal -- and the opportunity for change will be lost.

We must move promptly to provide our negotiators with the authority their task requires. Delay can only aggravate the strains we have already experienced. Disruptions in world financial markets, deficits in our trading balance, inflation in the international marketplace, and tensions in the diplomatic arena all argue for prompt and decisive action. So does the plight of those American workers and businesses who are damaged by rapidly rising imports or whose products face barriers in foreign markets.

For all of these reasons, I urge the Congress to act on my recommendations as expeditiously as possible. We face pressing problems here and now. We cannot wait until tomorrow to solve them.

Providing New Negotiating Authorities

Negotiators from other countries will bring to the coming round of trade discussions broad authority to alter their barriers to trade. Such authority makes them more effective bargainers; without such authority the hands of any negotiator would be severely tied.

Unfortunately, the President of the United States and those who negotiate at his direction do not now possess authorities comparable to those which other countries will bring to these bargaining sessions. Unless these authorities are provided, we will be badly hampered in our efforts to advance American interests and improve our trading system.

My proposed legislation therefore calls upon the Congress to delegate significant new negotiating authorities to the executive branch. For several decades now, both the Congress and the President have recognized that trade policy is one field in which such delegations are indispensable. This concept is clearly established; the questions which remain concern the degree of delegation which is appropriate and the conditions under which it should be carried out.

The legislation I submit today spells out only that degree of delegation which I believe is necessary and proper to advance the national interest. And just as we have consulted closely with the Congress in shaping this legislation, so the executive branch will consult closely with the Congress in exercising any negotiating authorities it receives. I invite the Congress to set up whatever mechanism it deems best for closer consultation and cooperation to ensure that its views are properly represented as trade negotiations go forward.

more

It is important that America speak authoritatively and with a single voice at the international bargaining table. But it is also important that many voices contribute as the American position is being shaped.

The proposed Trade Reform Act of 1973 would provide for the following new authorities:

First, I request authority to eliminate, reduce, or increase customs duties in the context of negotiated agreements. Although this authority is requested for a period of five years, it is my intention and my expectation that agreements can be concluded in a much shorter time. Last October, the member governments of the European Community expressed their hope that the coming round of trade negotiations will be concluded by 1975. I endorse this timetable and our negotiators will cooperate fully in striving to meet it.

Secondly, I request a Congressional declaration favoring negotiations and agreements on non-tariff barriers. I am also asking that a new, optional procedure be created for obtaining the approval of the Congress for such agreements when that is appropriate. Currently both Houses of the Congress must take positive action before any such agreement requiring changes in domestic law becomes effective -- a process which makes it difficult to achieve agreements since our trading partners know it is subject to much uncertainty and delay. Under the new arrangement, the President would give notice to the Congress of his intention to use the procedure at least 90 days in advance of concluding an agreement in order to provide time for appropriate House and Senate Committees to consider the issues involved and to make their views known. After an agreement was negotiated, the President would submit that agreement and proposed implementing orders to the Congress. If neither House rejected them by a majority vote of all members within a period of 90 days, the agreement and implementing orders would then enter into effect.

Thirdly, I request advance authority to carry out mutually beneficial agreements concerning specific customs matters primarily involving valuation and the marking of goods by country of origin.

The authorities I outline in my proposed legislation would give our negotiators the leverage and the flexibility they need to reduce or eliminate foreign barriers to American products. These proposals would significantly strengthen America's bargaining position in the coming trade negotiations.

Objectives in Agricultural Trade

I am not requesting specific negotiating authority relating to agricultural trade. Barriers to such trade are either tariff or non-tariff in nature and can be dealt with under the general authorities I am requesting.

One of our major objectives in the coming negotiations is to provide for expansion in agricultural trade. The strength of American agriculture depends on the continued expansion of our world markets -- especially for the major bulk commodities our farmers produce so efficiently. Even as we have been moving toward a great reliance on free

market forces here at home under the Agricultural Act of 1970, so we seek to broaden the role of market forces on the international level by reducing and removing barriers to trade in farm products.

I am convinced that the concerns which all nations have for their farmers and consumers can be met most effectively if the market plays a far greater role in determining patterns of agricultural production and consumption. Movement in this direction can do much to help ensure adequate supplies of food and relieve pressure on consumer prices.

Providing for Import Relief

As other countries agree to reduce their trading barriers, we expect to reduce ours. The result will be expanding trade, creating more and better jobs for the American people and providing them with greater access to a wider variety of products from other countries.

It is true, of course, that reducing import barriers has on some occasions led to sudden surges in imports which have had disruptive effects on the domestic economy. It is important to note, however, that most severe problems caused by surging imports have not been related to the reduction of import barriers. Steps toward a more open trading order generally have a favorable rather than an unfavorable impact on domestic jobs.

Nevertheless, damaging import surges, whatever their cause, should be a matter of great concern to our people and our Government. I believe we should have effective instruments readily available to help avoid serious injury from imports and give American industries and workers time to adjust to increased imports in an orderly way. My proposed legislation outlines new measures for achieving these goals.

To begin with, I recommend a less restrictive test for invoking import restraints. Today, restraints are authorized only when the Tariff Commission finds that imports are the "major cause" of serious injury or threat thereof to a domestic industry, meaning that their impact must be larger than that of all other causes combined. Under my proposal, restraints would be authorized when import competition was the "primary cause" of such injury, meaning that it must only be the largest single cause. In addition, the present requirement that injury must result from a previous tariff concession would be dropped.

I also recommend a new method for determining whether imports actually are the primary cause of serious injury to domestic producers. Under my proposal, a finding of "market disruption" would constitute prima facie evidence of that fact. Market disruption would be defined as occurring when imports are substantial, are rising rapidly both absolutely and as a percentage of total domestic consumption, and are offered at prices substantially below those of competing domestic products.

My proposed legislation would give the President greater flexibility in providing appropriate relief from import problems -- including orderly marketing agreements or higher tariffs or quotas. Restraints could be imposed for an initial period of five years and, at the discretion of the President, could be extended for an additional period of two years. In

exceptional cases, restrictions could be extended even further after a two-year period and following a new investigation by the Tariff Commission.

Improving Adjustment Assistance

Our responsibilities for easing the problems of displaced workers are not limited to those whose unemployment can be traced to imports. All displaced workers are entitled to adequate assistance while they seek new employment. Only if all workers believe they are getting a fair break can our economy adjust effectively to change.

I will therefore propose in a separate message to the Congress new legislation to improve our systems of unemployment insurance and compensation. My proposals would set minimum Federal standards for benefit levels in State programs, ensuring that all workers covered by such programs are treated equitably, whatever the cause of their involuntary unemployment. In the meantime, until these standards become effective, I am recommending as a part of my trade reform proposals that we immediately establish benefit levels which meet these proposed general standards for workers displaced because of imports.

I further propose that until the new standards for unemployment insurance are in place, we make assistance for workers more readily available by dropping the present requirement that their unemployment must have been caused by prior tariff concessions and that imports must have been the "major cause" of injury. Instead, such assistance would be authorized if the Secretary of Labor determined that unemployment was substantially due to import-related causes. Workers unemployed because of imports would also have job training, job search allowances, employment services and relocation assistance available to them as permanent features of trade adjustment assistance.

In addition, I will submit to the Congress comprehensive pension reform legislation which would help protect workers who lose their jobs against loss of pension benefits. This legislation will contain a mandatory vesting requirement which has been developed with older workers particularly in mind.

The proposed Trade Reform Act of 1973 would terminate the present program of adjustment assistance to individual firms. I recommend this action because I believe this program has been largely ineffective, discriminates among firms within a given industry and has needlessly subsidized some firms at the taxpayer's expense. Changing competitive conditions, after all, typically act not upon particular firms but upon an industry as a whole and I have provided for entire industries under my import relief proposals.

Dealing with Unfair Trade Practices

The President of the United States possesses a variety of authorities to deal with unfair trade practices. Many of these authorities must now be modernized if we are to respond effectively and even-handedly to unfair import competition at home and to practices which unfairly prejudice our export opportunities abroad.

To cope with unfair competitive practices in our own markets, my proposed legislation would amend our antidumping and countervailing duty laws to provide for more expeditious investigations and decisions. It would make a number of procedural and other changes in these laws to guarantee their effective operation. The bill would also amend the current statute concerning patent infringement by subjecting cases involving imports to judicial proceedings similar to those which involve domestic infringement, and by providing for fair processes and effective action in the event of court delays. I also propose that the Federal Trade Commission Act be amended to strengthen our ability to deal with foreign producers whose cartel or monopoly practices raise prices in our market or otherwise harm our interest by restraining trade.

In addition, I ask for a revision and extension of my authority to raise barriers against countries which unreasonably or unjustifiably restrict our exports. Existing law provides such authority only under a complex array of conditions which vary according to the practices or exports involved. My proposed bill would simplify the authority and its use. I would prefer, of course, that other countries agree to remove such restrictions on their own, so that we should not have to use this authority. But I will consider using it whenever it becomes clear that our trading partners are unwilling to remove unreasonable or unjustifiable restrictions against our exports.

Other Major Provisions

Most-Favored-Nation Authority. My proposed legislation would grant the President authority to extend most-favored-nation treatment to any country when he deemed it in the national interest to do so. Under my proposal, however, any such extension to countries not now receiving most-favored-nation treatment could be vetoed by a majority vote of either the House or the Senate within a three-month period.

This new authority would enable us to carry out the trade agreement we have negotiated with the Soviet Union and thereby ensure that country's repayment of its lend-lease debt. It would also enable us to fulfill our commitment to Romania and to take advantage of opportunities to conclude beneficial agreements with other countries which do not now receive most-favored-nation treatment.

In the case of the Soviet Union, I recognize the deep concern which many in the Congress have expressed over the tax levied on Soviet citizens wishing to emigrate to new countries. However, I do not believe that a policy of denying most-favored-nation treatment to Soviet exports is a proper or even an effective way of dealing with this problem.

One of the most important elements of our trade agreement with the Soviet Union is the clause which calls upon each party to reduce exports of products which cause market disruptions in the other country. While I have no reason to doubt that the Soviet Union will meet its obligations under this clause if the need arises, we should still have authority to take unilateral action to prevent disruption if such action is warranted.

Because of the special way in which state-trading countries market their products abroad, I would recommend two modifications in the way we take such action. First, the Tariff Commission should only have to find "material injury" rather than "serious injury" from imports in order to impose appropriate restraints.

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Secondly, such restraints should apply only to exports from the offending country. These recommendations can simplify our laws relating to dumping actions by state-trading countries, eliminating the difficult and time-consuming problems associated with trying to reach a constructed value for their exports.

Balance of Payments Authority. Though it should only be used in exceptional circumstances, trade policy can sometimes be an effective supplementary tool for dealing with our international payments imbalances. I therefore request more flexible authority to raise or lower import restrictions on a temporary basis to help correct deficits or surpluses in our payments position. Such restraints could be applied to imports from all countries across the board or only to those countries which fail to correct a persistent and excessive surplus in their global payments position.

Anti-Inflation Authority. My trade recommendations also include a proposal I made on March 30th as a part of this Administration's effort to curb the rising cost of living. I asked the Congress at that time to give the President new, permanent authority to reduce certain import barriers temporarily and to a limited extent when he determined that such action was necessary to relieve inflationary pressures within the United States. I again urge prompt approval for this important weapon in our war against inflation.

Generalized Tariff Preferences. Another significant provision of my proposed bill would permit the United States to join with other developed countries, including Japan and the members of the European Community, in helping to improve the access of poorer nations to the markets of developed countries. Under this arrangement, certain products of developing nations would benefit from preferential treatment for a ten-year period, creating new export opportunities for such countries, raising their foreign exchange earnings, and permitting them to finance those higher levels of imports that are essential for more rapid economic growth.

This legislation would allow duty-free treatment for a broad range of manufactured and semi-manufactured products and for a selected list of agricultural and primary products which are now regulated only by tariffs. It is our intention to exclude certain import-sensitive products such as textile products, footwear, watches and certain steel products from such preferential treatment, along with products which are now subject to outstanding orders restricting imports. As is the case for the multilateral negotiations authority, public hearing procedures would be held before such preferences were granted and preferential imports would be subject to the import relief provisions which I have recommended above. Once a particular product from a given country became fully competitive, however, it would no longer qualify for special treatment.

The United States would grant such tariff preferences on the basis of international fair play. We would take into account the actions of other preference-granting countries and we would not grant preferences to countries which discriminate against our products in favor of goods from other industrialized nations unless those countries agreed to end such discrimination.

Permanent Management Authorities. To permit more efficient and more flexible management of American trade policy, I request permanent authority to make limited reductions in our tariffs as a form of compensation to other countries. Such compensation could be necessary in cases where we have raised certain barriers under the new import restraints discussed above and would provide an alternative in such cases to increased barriers against our exports.

I also request permanent authority to offer reductions in particular United States barriers as a means of obtaining significant advantages for American exports. These reductions would be strictly limited; they would involve tariff cuts of no more than 20 percent covering no more than two percent of total United States imports in any one year.

Reforming International Trading Rules

The coming multilateral trade negotiations will give us an excellent opportunity to reform and update the rules of international trade. There are several areas where we will seek such changes.

One important need concerns the use of trade policy in promoting equilibrium in the international payments system. We will seek rule changes to permit nations, in those exceptional cases where such measures are necessary, to increase or decrease trade barriers across the board as one means of helping to correct their payments imbalances. We will also seek a new rule allowing nations to impose import restrictions against individual countries which fail to take effective action to correct an excessive surplus in their balance of payments. This rule would parallel the authority I have requested to use American import restrictions to meet our own balance of payments problem.

A second area of concern is the need for a multilateral system for limiting imports to protect against disruptions caused by rapidly changing patterns of international trade. As I emphasized earlier, we need a more effective domestic procedure to meet such problems. But it is also important that new arrangements be developed at the international level to cope with disruptions caused by the accelerating pace of change in world trade.

We will therefore seek new international rules which would allow countries to gain time for adjustment by imposing import restrictions, without having to compensate their trading partners by simultaneously reducing barriers to other products. At the same time, the interests of exporting countries should be protected by providing that such safeguards will be phased out over a reasonable period of time.

Promoting Export Expansion

As trade barriers are reduced around the world, American exports will increase substantially, enhancing the health of our entire economy.

Already our efforts to expand American exports have moved forward on many fronts. We have made our exports more competitive by realigning exchange rates. Since 1971, our new law permitting the establishment of Domestic International Sales Corporations has been helping American companies organize their export activities more effectively. The lending, guaranty and insurance authorities of the Export-Import Bank have been increased and operations have been extended to include a short-term discount loan facility. The Department of Commerce has reorganized its facilities for promoting exports and has expanded its services for exporters. The Department of State, in cooperation with the Department of Commerce, is giving increased emphasis to commercial service programs in our missions abroad.

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In addition, I am today submitting separate legislation which would amend the Export Trade Act in order to clarify the legal framework in which associations of exporters can function. One amendment would make it clear that the act applies not only to the export of goods but also to certain kinds of services -- architecture, construction, engineering, training and management consulting, for example. Another amendment would clarify the exemption of export associations from our domestic antitrust laws, while setting up clear information, disclosure and regulatory requirements to ensure that the public interest is fully protected.

In an era when more countries are seeking foreign contracts for entire industrial projects -- including steps ranging from engineering studies through the supply of equipment and the construction of plants -- it is essential that our laws concerning joint export activities allow us to meet our foreign competition on a fair and equal basis.

The Growth of International Investment

The rapid growth of international investment in recent years has raised new questions and new challenges for businesses and governments. In our own country, for example, some people have feared that American investment abroad will result in a loss of American jobs. Our studies show, however, that such investment on balance has meant more and better jobs for American workers, has improved our balance of trade and our overall balance of payments, and has generally strengthened our economy. Moreover, I strongly believe that an open system for international investment, one which eliminates artificial incentives or impediments here and abroad, offers great promise for improved prosperity throughout the world.

It may well be that new rules and new mechanisms will be needed for international investment activities. It will take time, however, to develop them. And it is important that they be developed as much as possible on an international scale. If we restrict the ability of American firms to take advantage of investment opportunities abroad, we can only expect that foreign firms will seize these opportunities and prosper at our expense.

I therefore urge the Congress to refrain from enacting broad new changes in our laws governing direct foreign investment until we see what possibilities for multilateral agreements emerge.

It is in this context that we must also shape our system for taxing the foreign profits of American business. Our existing system permits American-controlled businesses in foreign countries to operate under the same tax burdens which apply to its foreign competitors in that country. I believe that system is fundamentally sound. We should not penalize American business by placing it at a disadvantage with respect to its foreign competitors.

American enterprises abroad now pay substantial foreign income taxes. In most cases, in fact, Americans do not invest abroad because of an attractive tax situation but because of attractive business opportunities. Our income taxes are not the cause of our trade problems and tax changes will not solve them.

The Congress exhaustively reviewed this entire matter in 1962 and the conclusion it reached then is still fundamentally sound: there is no reason that our tax credit and deferral provisions relating to overseas investment should be subjected to drastic surgery.

On the other hand, ten years of experience have demonstrated that in certain specialized cases American investment abroad can be subject to abuse. Some artificial incentives for such investment still exist, distorting the flow of capital and producing unnecessary hardship. In those cases where unusual tax advantages are offered to induce investment that might not otherwise occur, we should move to eliminate that inducement.

A number of foreign countries presently grant major tax inducements such as extended "holidays" from local taxes in order to attract investment from outside their borders. To curb such practices, I will ask the Congress to amend our tax laws so that earnings from new American investments which take advantage of such incentives will be taxed by the United States at the time they are earned -- even though the earnings are not returned to this country. The only exception to this provision would come in cases where a bilateral tax treaty provided for such an exception under mutually advantageous conditions.

American companies sometimes make foreign investments specifically for the purpose of re-exporting products to the United States. This is the classic "runaway plant" situation. In cases where foreign subsidiaries of American companies have receipts from exports to the United States which exceed 25 percent of the subsidiaries' total receipts, I recommend that the earnings of those subsidiaries also be taxed at current American rates. This new rule would only apply, however, to new investments and to situations where lower taxes in the foreign country are a factor in the decision to invest. The rule would also provide for exceptions in those unusual cases where our national interest required a different result.

There are other situations in which American companies so design their foreign operations that the United States treasury bears the burden when they lose money and deduct it from their taxes. Yet when that same company makes money, a foreign treasury receives the benefit of taxes on its profits. I will ask the Congress to make appropriate changes in the rules which now allow this inequity to occur.

We have also found that taxing of mineral imports by United States companies from their foreign affiliates is subject to lengthy delays. I am therefore instructing the Department of the Treasury, in consultation with the Department of Justice and the companies concerned, to institute a procedure for determining inter-company prices and tax payments in advance. If a compliance program cannot be developed voluntarily, I shall ask for legislative authority to create one.

The Challenge of Change

Over the past year, this Administration has repeatedly emphasized the importance of bringing about a more equitable and open world trading system. We have encouraged other nations to join in negotiations to achieve this goal. The declaration of European leaders at their summit meeting last October demonstrates their dedication to the success of this effort. Japan, Canada and other nations share this dedication.

The momentum is there. Now we -- in this country -- must seize the moment if that momentum is to be sustained.

When the history of our time is written, this era will surely be described as one of profound change. That change has been particularly dramatic in the international economic arena.

The magnitude and pace of economic change confronts us today with policy questions of immense and immediate significance. Change can mean increased disruption and suffering, or it can mean increased well-being. It can bring new forms of deprivation and discrimination, or it can bring wider sharing of the benefits of progress. It can mean conflict between men and nations, or it can mean growing opportunities for fair and peaceful competition in which all parties can ultimately gain.

My proposed Trade Reform Act of 1973 is designed to ensure that the inevitable changes of our time are beneficial changes -- for our people and for people everywhere.

I urge the Congress to enact these proposals, so that we can help move our country and our world away from trade confrontation and toward trade negotiation, away from a period in which trade has been a source of international and domestic friction and into a new era in which trade among nations helps us to build a peaceful, more prosperous world.

RICHARD NIXON

THE WHITE HOUSE,

April 10, 1973.

#

May Friedersdorff

MEMORANDUM

COUNCIL ON INTERNATIONAL ECONOMIC POLICY

May 25, 1973

MEMORANDUM FOR BILL TIMMONS

FROM: LARRY BRADY *LB*

SUBJECT: Activities of CIEP and TRA Task Force,
Week of May 21 - 26.

CIEP

1. On Monday, May 21, Jon Rose testified before House Appropriations Subcommittee on Treasury, Postal Service and General Government, on CIEP appropriation.
2. On Tuesday, May 22, Congressman James Broyhill called a meeting of Southern Congressmen to talk about Textiles. Flanigan met with the group at the Rayburn Building. Congressmen in attendance:

Earl Ruth	Lamar Baker
W. Mizell	Jack Edwards
Martin	Bill Dickinson
Spence	John Buchanan
Ed Young	Thad Cochran
Ben Blackburn	Trent Lott
Kuykendall	James Quillen
Robert Beard	John Duncan
3. Flanigan addressed a group of Congressman Charles Chamberlain's constituents in the East Theater of the White House - he talked about the trade bill, Wednesday, May 23.

TRADE REFORM ACT TASK FORCE

1. Ambassadors Eberle and Pearce met with Congressman Schneepli to discuss the trade bill. A copy of the memo of conversation is attached.
2. Commerce, State, Treasury, and Agriculture legislative liaison officers have been asked to make an initial low key approach to their respective committees and others they have good contacts with. (A list of contacts to be made is attached.)

OFFICE OF THE SPECIAL REPRESENTATIVE
FOR TRADE NEGOTIATIONS

EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

May 18, 1973

MEMORANDUM OF CONVERSATION

Bill Eberle and I met with Congressman Herman Schneebeli this afternoon to assess progress of the TRA in the Ways and Means Committee. The major points made by Congressman Schneebeli were as follows:

1. Congressman Mills said yesterday that he has "more than a majority" of Committee Democrats in favor of the bill. Schneebeli's view is that we won't lose a Republican vote. We weren't able to pin him down on various issues of the bill -- he obviously is talking about the general thrust of the Administration's recommendations.
2. Mr. Schneebeli advised us to keep close to Mr. Mills. The latter is strongly influenced by visitors from abroad, Wall Street and people who support us from his own district. We were advised to "crowd Mills" with people like David and Nelson Rockefeller, Tom Watson and Gale Freeman.
3. Mr. Schneebeli feels we should keep the tax provisions in the bill because they will give liberals something to point to in responding to labor. He found it difficult to understand the suggestion of the U.S. Chamber that they should be transferred to the tax bill. He noted that Mrs. Griffith supports this too. In response to my observation that business is increasingly concerned about the "tax holiday" provision, he responded that we should get this clarified as soon as possible.
4. He noted that Mrs. Griffith is very responsive to Burroughs.
5. He has, in the past, been able to bring pressure against Congressman Vanik, by calling the president of the Taxed Executive's Institute who is also comptroller for Alcan. He feels that pressure from constituents is most important in developing support for the bill.

6. He advised us that Congressman Mills has gone back to Arkansas for ten days. Only Mr. Schneebeli himself was present on the Republican side today. Hearings will be scheduled next week only from Monday through Thursday. Mr. Mills is bringing strong pressure to end public hearings by June 15.

7. On the question of tax issues, he suggested that we try to find out what Congressman Mills is thinking through Dick Wilbur, Minority Counsel. Wilbur will probably ask John Martin, who in turn will ask Woodworth. He thinks that going directly to Martin or Woodworth would not be productive.

8. I told him Senator Hartke's remark to me yesterday that Mr. Mills no longer controls the Chairman of the Rules Committee, that the new Chairman (Madden of Indiana) is Hartke's man. Schneebeli said that the issue of a rule can be managed. Carl Albert is particularly important since he arranged for the appointment of two or three of the present members of the Committee. He expressed the opinion that if both Albert and Mills are for a closed rule, we will get one. He noted that Albert also responds to Jerry Ford.

9. Mr. Schneebeli pointed out that the Chairman had agreed to open rules on the first two issues out of the Committee this year in order to show his flexibility and that he will seek a closed rule only when he really needs it. He has picked up some IOUs in this process which can be cashed on the trade bill.

10. Bill Eberle asked him about rules for the markup session -- how many and who will be wanted. Congressman Schneebeli suggested that we contact John Martin on this.

11. Bill Eberle asked about relationships among members of the Committee staff with Tony Solomon. Schneebeli replied that Tony still has the Chairman's ear. The latter had reaffirmed his belief in Tony's contribution in a conversation Schneebeli heard last week.

12. Bill Eberle asked what sort of changes were likely to be necessary. Schneebeli replied certainly changes in trade adjustment assistance provisions of the bill. He was especially

interested in knowing why we decided not to include firms, especially small firms. He pointed out that a small firm producing benzenoid chemicals could be put out of business by an ASP agreement, while a large firm wouldn't be. Some sort of provisions should be made for small firms.

13. He feels Leonard Woodcock can be very helpful in working out support from liberal Democrats. Joe Karth is very responsive to Minnesota Mining where he worked for many years. Joe Waggoner responds especially to Claude Wilde of Gulf Oil. Wilde is also influential with Broyhill and Burleson.

14. Congressman Landrum told Mr. Schneebeli the other day that he would have to "get some things straightened out" before he would make up his mind on the trade bill. Presumably, this refers to the textile industry's insistence that it's support hinges on negotiating a multi-fibered textile agreement.

William R. Pearce

CONTACTS TO BE MADE BY STATE

HOUSE

Albert	Milford
Anderson	Mitchell
Arends	Morgan
* Biester	* Nix
* Bingham	O'Neill
Brademas	Passman
* Broomfield	Peyser
* Buchanan	Podell
* Burke (Fla.)	Powell
Burlison	Preyer
* Culver	Quie
* Davis (Ga)	Randall
* Derwinski	Rodino
* Diggs	Rooney
Dorn	* Rosenthal
	Ruppe
* Du Pont	* Ryan
* Fascell	Smith (N. Y.)
* Findley	* Steele
Foley	Stratton
* Fountain	Symington
* Fraser	* Taylor
* Frelinghuysen	* Thomson
Fulton	* Vander Jagt
* Gilman	Ware
* Guyer	* Whalen
* Hamilton	White
* Harrington	* Wilson (Tex)
* Hays	* Wihn
Holifield	* Wolff
Hosmer	Wright
Hungate	* Yatron
Johnson (Colo)	* Zablocki
Lehman	Zion
McClory	* Reigle
McFall	* Reid
Madden	
* Mailliard	

* = Member of Foreign Affairs Committee

CONTACTS TO BE MADE BY AGRICULTURE

HOUSE

Abdnor
✓ Alexander
Andrews
✓ Baker (Tenn)
Beard
✓ Bergland
✓ Bowen
~~Brown~~
Burlison
✓ Brown (Calif)
Casey
✓ De la Garza
✓ Denholm
Evans
✓ Findley
✓ Foley
✓ Goodling
Gross
✓ Gunter
✓ Johnson
✓ Jones (N. C.)
✓ Jones (Tenn)
Ketchum
Landgrebe
✓ Litton
✓ Madigan
Martin
✓ Mathias
✓ Mathis
✓ Matsunaga
✓ Mayne
✓ Melcher
Michel
Miller
✓ Mizell
Myers
Natcher
Poage
✓ Price

✓ Rarick
Robinson
✓ Rose
Robison
Scherle
✓ Sebelius
Shipley
✓ Sisk
Stubblefield
✓ Symms
Smith (NY)
Taylor
✓ Teague
✓ Thone
Treen
✓ Vigorito
✓ Wampler
Whitten
✓ Young (S. C.)
✓ Zwach

✓ = Member of the House Agriculture
Committee

CONTACTS TO BE MADE BY TREASURY

HOUSE

Anderson (Ill)
* Annunzio
Archer
* Ashley
* Barrett
Bevill
* Blackburn
* Boggs
* Brasco
Brotzman
* Brown (Mich)
Broyhill
* Burgener
Cederberg
Chamberlain
Collier
Conable
* Conlan
Conte
* Cotter
* Crane
Coughlin
Devine
Edwards
Erlenborn
* Frenzel
* Gettys
* Gonzalez
* Hanley
* Hanna
* Hastings
* Heckler
* Johnson (Pa.)
Keating
* Koch
McDade
McEwen
* McKinney
Mahon
Michel
Mills (Ark)
* Minish
* Mitchell

* Moakley
* Moorhead
Myers
Pettis
Quie
Railsback
* Rees
Rhodes
* Rinaldo
Robison
Roncallo
Rousselot
Schneebeli
Shriver
Smith
* St. Germain
* Stanton
* Stark
Steed
Steiger
Stephens
Stratton
* Sullivan
Thone
Walsh
* Widnall
* Williams
* Wylie
* Young

* = Member of Banking and Currency

CONTACTS TO BE MADE BY COMMERCE

HOUSE

Adams
Breckenridge
Brown (01/19)
Broyhill
Byron
Carney
Carter
Collins
Devine
Dingell
Eckhardt
Frey
Goldwater
Harvey
Hastings
Heinz
Helsoski
Hudnut
Jarman
Kuykendall
Kyros
Lent
Mac Donald
McCollister
Metcalf
Moss
Murphy
Nelsen
Pickle
Preyer
Rogers
Rooney
Roy
Satterfield
Shoup
Skubitz
Stucky
Van Deerlin
Ware
Young

All Members of the Interstate and Foreign
Commerce Committee

MEMORANDUM

COUNCIL ON INTERNATIONAL ECONOMIC POLICY

June 8, 1973

Tom/Mick
FUE
BJ

MEMORANDUM FOR BILL TIMMONS

FROM:

LARRY BRADY

LB

SUBJECT:

Activities of CIEP and TRA Task Force,
Week of June 4-8, 1973.

CIEP

1. On Tuesday, June 5, Peter Flanigan testified before the Senate Foreign Relations Committee on CIEP authorization.
2. Wednesday, June 6, Mr. Flanigan met with Congressman Wilbur Mills at 3:30 in the afternoon in the Congressman's office.

TRADE REFORM ACT TASK FORCE

Ambassador Eberle has been in Europe the past week.

Ambassador Pearce talked with Congressman Lawton Chiles on June 5. The meeting was in the Congressman's office.

On June 6, Ambassador Pearce talked with Congressman Barber Conable in the Congressman's office.

RICHARD H. ICHORD
8TH DISTRICT, MISSOURI

2402 RAYBURN HOUSE
OFFICE BUILDING
TELEPHONE: 225-5155

COMMITTEES:
CHAIRMAN, COMMITTEE ON
INTERNAL SECURITY
ARMED SERVICES

Congress of the United States
House of Representatives
Washington, D.C. 20515

DISTRICT OFFICES:
HOUSTON:
115 MAIN STREET
TELEPHONE: (417) WO 7-2270
JEFFERSON CITY:
302 1/2 EAST HIGH STREET
TELEPHONE: (314) 634-3510

October 4, 1973

Re: Whether the Congress will be allowed to work its
will concerning the extension of credit to the
Soviet Union

Dear Colleague:

As you know, the Ways and Means Committee yesterday ordered to be reported the bill cited as the Trade Reform Act of 1973 which would extend a broad authority to the President to enter into trade agreements with foreign countries or instrumentalities thereof. It is particularly directed toward the Soviet trade question, and the authority proposed obviously would have very serious consequences in relation not only to our general national interests, but more importantly to the future security of the United States.

The sponsors of the bill intend to seek a closed rule which would make it in order to strike Title 4 and 5 but would not allow substantive amendments to these titles. There are certain grave issues involved in the bill, particularly in relation to credit to be extended to the Soviet Union for the purchase of products and services of the United States. I am writing to enlist your support to obtain a rule which will allow these issues and proposals to be fully and fairly considered and will provide an opportunity for Members to express their will on the subject.

The Ways and Means Committee agreed to an amendment to the bill which prohibits MFN status to the Soviet Union or to any "non-market economy country" which denies to its citizens the right to emigrate, or which imposes more than nominal fees upon its citizens as a condition of emigration. In my opinion, this is an important qualification, but it is interrelated with the broader question of the terms and conditions upon which trade should be conducted with the Soviet Union. In this connection, may not one well inquire into the occasion and sources of danger which necessitate the expenditure of so large a proportion of our GNP for defense?

An amendment offered by Chairman Mills to prohibit the extension of credit to the Soviet Union was reportedly lost on a point of order by a 12-12 vote in committee. It is on this question that the Members of the House are obviously and perhaps evenly divided, and one which should be fully explored and considered in debate on the measure.

On the assumption that some trade and some exchange of products and services may be desirable at this time, I believe that there are three alternatives on this subject which should be debated. These alternatives appear to me to be as follows:

(1) An amendment to the bill which will prohibit the sale or other transfer of products and services to the Soviet Union on credit granted or guaranteed by the United States or by any agency of the United States.

(2) An amendment which would permit an agency of the United States to extend credit only for the purchase of consumer goods, but not for capital goods or capital development within the Soviet Union.

(3) An amendment which would permit Federal credit conditioned upon the Soviet Union being granted MFN status and becoming a member of the International Monetary Fund.

There are substantial arguments in support of any one of these alternatives. In light of our prior experience with the Soviet Union, particularly regarding lend-lease credits which have not yet been repaid, a denial of all credit to the Soviet Union by United States agencies would be justified. The second alternative--allowing credit only for consumer goods--would be clearly justified on the basis of limiting trade practices which will serve to strengthen the military potential of the Soviet Union. The third alternative assumes that credit for both consumer and capital goods would not be contrary to our present interests, but that the Soviet Union should be brought within the membership of the Fund, which it refrained from joining following the proposal for its establishment at the United Nations Monetary and Financial Conference held at Bretton Wood New Hampshire, in July of 1944. It is now said that credit is necessary to enable the Soviet Union to purchase our goods, because they lack currency exchange. If so, the Fund will provide access to the necessary exchange.

An additional word or two may be desirable on this point. If the Soviet Union is to become a trading partner, then it should be required to comply with the orderly arrangements established for the exchange of international currency and to maintain exchange stability. The Fund, with a present membership of 126 countries, including Romania and Yugoslavia, is designed to facilitate international payments, to avoid competitive exchange and depreciation, to assist in the establishment of a system of payments with respect to current transactions between members, the elimination of foreign exchange restrictions, and to provide a means of stabilizing currency values. To such ends each member is assigned quotas and subscriptions for payment into the fund in fixed percentages of gold and currencies of each.

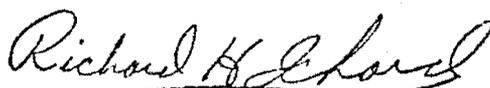
The Fund, moreover, prescribes a margin of par value for transactions in gold and fixes the par value of the currency of each member in relation to gold as a common denominator, and provides a mechanism for

maintaining the par value of gold and the currency of members. Not being a party to the agreement, the Soviet Union is free to speculate in the sale of gold and currencies of those countries which are nevertheless bound to the agreement of the Fund. The USSR mines some 220 tons of gold per year, maintains a stock pile now put at 1,800 tons, worth about \$7-billions at recent market prices, and places its gold upon the market for sale to the West, at about 250 tons last year. This is a formidable resource. Yet in its dealings, the USSR may thus operate free from restraints designed to preserve the stability of the financial institutions and economies of Fund members. If the Soviet Union is to trade in foreign markets, it should be required to play according to the rules of the game.

Moreover, on the credit issue, I also raise the question whether the executive agencies may not be leading us into another fiasco, as they did on the grain deal. You will recall that the Soviets purchased wheat at about \$1.63 per bushel, while in September of 1972, when the Soviets had concluded their purchase, wheat was selling at \$2.49 per bushel, with the result that the Department of Agriculture (the American taxpayer) was compelled to subsidize grain exporters at a loss of about \$300-million and inflated prices to domestic consumers. Should not the Administration's proposals be carefully examined?

It is anticipated that the bill will be reported on October 10 and referred to the Committee on Rules. If a closed rule is granted, it appears to me that the consideration of the three alternatives should be made in order for debate on the floor. I intend to appear before the Committee on Rules at the appropriate time to make this request. I would, however, desire to have your support, and that of other Members of the House, and be able so to state before the committee. If you would desire to lend this support, I would be pleased if you would sign the enclosed "petition", and return it to my office not later than Friday, October 12th, so that I can present it to the Committee on Rules in support of my request.

Sincerely yours,


Richard H. Ichord
Member of Congress

October 5, 1973

MEMORANDUM FOR: BILL TIMMONS
FROM: MAX FRIEDERSDORF
SUBJECT: H.C. Jim Delaney

I talked to Jim up in New York and he was getting ready to leave for Key Biscayne and won't be coming back here until Monday night.

He said he had talked only briefly with Ullman about the trade bill since it was reported and would like to support Ways and Means but wants to study bill first and see where pressures will be coming from.

He suggested I come up and talk about it Tuesday or Wednesday, which I plan to do.

Another possibility would be an RN call to Jim over the weekend while they are at Key Biscayne.

The President undoubtedly could lock the vote up.

If RN calls he should mention Delaney's hip operation and recent return to work (Delaney looks great; has lost 36 pounds and looks 20 years younger.)

cc: Ainsworth
Loen



THE WHITE HOUSE

WASHINGTON

October 4, 1973

MEMORANDUM FOR:

BILL TIMMONS

FROM:

MAX FRIEDERSDORF 

SUBJECT:

Trade Bill

Larry Brady, one of Flanigan's gophers, called today to advise that he has lined up Pantos, Foltz, STAN ANDERSON, Jim Hogue and John Grant (Labor) to visit Congressional offices starting first of next week with talking points on the trade bill and start lobbying the bill.

I told him I was unaware of any project as he described and that you had not mentioned it.

I have no problem with talking points being distributed (it should preferably be done by Ford), but I am concerned about a lobbying effort that is not being run or coordinated out of your office and in conjunction with the House Leadership.

I would appreciate your views on this?

cc: Ainsworth
Loen

June 16, 1973

MEMORANDUM FOR:

BILL TIMMONS

FROM:

MAX FRIEDERSDORF

SUBJECT:

Export Control Legislation

As you know, the Administration has been invited to use H. R. 8547, a bill which modifies the Export Administration Act of 1969, as the vehicle for obtaining increased authority for the President to adjust export controls.

The bill, sponsored by Rep. Ashley (D-Ohio) modifies the Act by broadening the authority for export controls.

It has cleared House Banking and Currency Subcommittee and will be the subject of a Committee meeting at 11:00 a. m. Monday with mark-up planned for Tuesday.

Commerce Secretary Dent has serious problems with the bill because of the likelihood it may attract log export restrictions, soy bean control, etc., when it reaches the floor.

Dent would rather have our bill considered alone, but this may not be possible because Ashley's subcommittee would be handling the legislation.

There is also Committee reluctance to opening up the Economic Stabilization Act again because of renewed attempts for rent control, freeze, etc., amendments.

Commerce has some reservations about making the call on all this because of Agriculture and Treasury involvement.

Gifford sent the draft legislation up, but has not secured sponsors and has been referring questions on export controls to Commerce and Flanigan.

It would seem Schultz should make the call on this. What think?



as of 10/12/73
9 AM

ECAT Lobbying
Trade Reform Act.

	lean or for	undec.	lean or against
Bill	189	54	43
Rule	58	13	15
Vanik <u>Amend</u>	20	5	10

POSSIBLY OPPOSED
 UNDECIDED
 POSSIBLY FOR
 FOR

93rd CONGRESS
 MEMBERS OF THE
 HOUSE OF REPRESENTATIVES

X = Bill
 V = Vanik
 R = Rule

	1	2	3	4	5		1	2	3	4	5
BAMA						CALIFORNIA (cont.)					
Edwards (R)						21-A. F. Hawkins (D)			X		
L. Dickinson (R)			X			22-J. C. Corman (D)					X
Nichols (D)					X	23-D. Clawson (R)			X		R
Bevill (D)						24-J. Rousselot (R)				X	
E. Jones (D)						25-C. E. Wiggins (R)			x		x
H. Buchanan Jr. (R)				X		26-T. Rees (D)	YR				X
Flowers (D)						27-B. M. Goldwater Jr. (R)					
SKA						28-A. Bell (R)	V				X
D. Young (R)						29-G. E. Danielson (D)					X
ONA						30-E. R. Roybal (D)					
J. Rhodes (R)				X	V	31-C. H. Wilson (D)				X	
K. Udall (D)				X	V	32-C. Hosmer (R)					
Steiger (R)				X	V	33-J. L. Pettis (R)					
B. Conlan (R)					V	34-R. T. Hanna (D)					X
ANSAS						35-G. M. Anderson (D)		x		x	
V. Alexander Jr. (D)	V				X	36-W. M. Ketchum (R)					X
D. Mills (D)						37-Y. B. Burke (D)			X		
P. Hammerschmidt (R)	V				RX	38-G. E. Brown Jr. (D)					
Thornton (D)						39-A. J. Hinshaw (R)					X
ORNIA						40-Bob Wilson (R)					
H. Clausen (R)				X		41-L. Van Deerlin (D)					X
T. Johnson (D)						42-C. W. Burgener (R)					X
E. Moss (D)						43-V. Veysey (R)			X		
L. Leggett (D)	V				X	COLORADO					
Burton (D)	X					1-P. Schroeder (D)					X
S. Mailliard (R)				X		2-D. G. Brotzman (R)					
V. Dellums (D)						3-F. E. Evans (D)					
H. Stark (D)						4-J. T. Johnson (R)					
Edwards (D)				X		5-W. L. Armstrong (R)					
S. Gubser (R)			V		X	CONNECTICUT					
J. Ryan (D)						1-W. R. Cotter (D)					
L. Talcott (R)				X		2-R. H. Steele (R)					
M. Teague (R)				X		3-R. N. Giaino (D)					
R. Waldie (D)				X		4-S. B. McKinney (R)				R	X
J. McFall (D)				X		5-R. A. Sarasin (R)					
F. Sisk (D)			V	X	R	6-E. T. Grasso (D)					
N. McCloskey Jr. (R)				X		DELAWARE					
B. Mathias (R)				X		AL-P. S. du Pont IV (R)				R	X
Holifield (D)				X	X	DISTRICT OF COLUMBIA					
J. Moorhead (R)			X			W. E. Fountroy (D)					

POSSIBLY OPPOSED
 UNDECIDED
 POSSIBLY FOR
 OR

IDA	1	2	3	4	5
L. F. Sikes (D)					
Fuqua (D)				X	
E. Bennett (D)			X		
Chappell Jr. (D)					
D. Gunter Jr. (D)					
W. Young (R)				R	XV
Gibbons (D)					
A. Haley (D)			X		
Frey Jr. (R)			X	RX	
A. Bafalis (R)					RX
G. Rogers (D)			X		
H. Burke (R)				RX	V
Lehman (D)					
Pepper (D)					
B. Fascell (D)				X	
MICHIGAN					
B. Ginn (D)					
Mathis (D)					
Brinkley (D)					
B. Blackburn (R)					YRX
Young (D)				X	→
J. Flynt Jr. (D)				X	
W. Davis (D)					
S. Stuckey (D)					
M. Landrum (D)					X
G. Stephens Jr. (D)				X	
MINNESOTA					
M. Matsunaga (D)				R	X
T. Mink (D)					
MISSOURI					
J. Symms (R)			R	X	
Hansen (R)					
ILLINOIS					
L. Metcalfe (D)			X		
F. Murphy (D)					←XR
P. Hanrahan (R)			X		
J. Derwinski (R)				X	
T. Kluczynski (D)				X	
R. Collier (R)					X
Collins (D)			RX		
Rostenkowski (D)			X	R	

ILLINOIS (cont.)	1	2	3	4	5
9-S. R. Yates (D)				R	V
10-S. H. Young (R)				RX	
11-F. Annunzio (D)					
12-P. M. Crane (R)			R	X	
13-R. McClory (R)					
14-J. N. Erlenborn (R)					
15-L. C. Arends (R)					RX
16-J. B. Anderson (R)				R	X
17-G. M. O'Brien (R)					X
18-R. H. Michel (R)					
19-T. Railsback (R)					X
20-P. Findley (R)				X	
21-E. R. Madigan (R)				X	→
22-G. E. Shipley (D)					
23-M. Price (D)				V	→X
24-K. J. Gray (D)					RX
INDIANA					
1-R. J. Madden (D)					X
2-E. F. Landgrebe (R)					
3-J. Brademas (D)				X	X
4-J. E. Roush (D)					
5-E. Hillis (R)					
6-W. G. Bray (R)					
7-J. T. Myers (R)					
8-R. H. Zion (R)					
9-L. H. Hamilton (D)			X	R	→X
10-D. W. Dennis (R)					
11-W. H. Hudnut III (R)					
IOWA					
1-E. Mezvinsky (D)					X
2-J. C. Culver (D)					X
3-H. R. Gross (R)				X	
4-N. Smith (D)					X
5-W. J. Scherle (R)					X
6-W. Mayne (R)				V	X
KANSAS					
1-K. G. Sebelius (R)					X
2-W. L. Roy (D)					RX
3-L. Winn Jr. (R)				X	
4-G. E. Shriver (R)					X
5-J. Skubitz (R)					

UNDECIDED
 POSSIBLE FOR
 OR

UCKY	1	2	3	4	5
A. Stubblefield (D)					
H. Natcher (D)					
L. Mazzoli (D)					
G. Snyder (R)					
L. Carter (R)					
B. Breckinridge (D)					
D. Perkins (D)					X
SIANA					
E. Hebert (D)					
Boggs (D)				X	
C. Treen (R)				X	X
D. Waggoner Jr. (D)	V			X	
E. Passman (D)	X				
R. Rarick (D)					
B. Breaux (D)			X		
W. Long (D)				R	
E					
J. Kyros (D)		X	V		
S. Cohen (R)			X		V
IAND					
E. Bateman (R)			X		
D. Long (D)					X
S. Sarbanes (D)	X				
S. Holt (R)				X→	
I. Hogan (R)				X	
E. Byron (D)				X	
I. Mitchell (D)					V
Gude (R)				X→	
ACHUSETTS					
Conte (R)			X→		
P. Boland (D)					
D. Donohue (D)					
T. Drinan (D)					
T. Cronin (R)				X	
I. Harrington (D)					X
I. Macdonald (D)				←X	
P. O'Neill Jr. (D)					
J. Moakley (D)				X→	
M. Heckler (R)				X→	
V. Burke (D)					
E. Studds (D)	X				

MICHIGAN.	1	2	3	4	5
1-J. Conyers Jr. (D)	X				
2-M. L. Esch (R)				X	
3-G. Brown (R)				X	
4-E. Hutchinson (R)				X	
5-G. R. Ford (R)					X
6-C. E. Chamberlain (R)					X
7-D. W. Reigle Jr. (D)			X		
8-J. Harvey (R)				X	X
9-G. Vander Jagt (R)					X
10-E. A. Cederberg (R)					X
11-P. E. Ruppe (R)					X
12-J. G. O'Hara (D)				X	
13-C. C. Diggs Jr. (D)	X	X			V
14-L. N. Nedzi (D)	R	X			
15-W. D. Ford (D)	R	X			
16-J. D. Dingell (D)	X	X	→R		
17-M. W. Griffiths (D)			X		
18-R. J. Huber (R)		R→		←X	
19-W. S. Broomfield (R)				R	X
MINNESOTA					
1-A. H. Quie (R)					
2-A. Nelson (R)					
3-B. Frenzel (R)					X
4-J. E. Karth (D)					
5-D. M. Fraser (D)				X	
6-J. M. Zwach (R)					X
7-B. Bergland (D)					
8-J. A. Blatnik (D)					
MISSISSIPPI					
1-J. L. Whitten (D)					
2-D. R. Bowen (D)				X→	
3-G. V. Montgomery (D)					
4-T. Cochran (R)				X	
5-T. Lott (R)					
MISSOURI					
1-W. Clay (D)					
2-J. W. Symington (D)					R
3-L. K. Sullivan (D)					X
4-W. J. Randall (D)					
5-R. Bolling (D)			X		R
6-J. Linton (D)					R
7-G. Taylor (R)					R

POSSIBLY OPPOSED
 UNDECIDED
 POSSIBLY FOR
 OR

	1	2	3	4	5
MISSOURI (cont.)					
H. Ichord (D)					
L. Hungate (D)				X	R
D. Burlison (D)				X	
NEBRASKA					
G. Shoup (R)					
Melcher (D)					
NEBRASKA					
Thone (R)					
Y. McCollister (R)					
Martin (R)					
NEBRASKA					
D. Towell (R)			X		
VERMONT					
C. Wyman (R)		X			V
C. Cleveland (R)					
NEW JERSEY					
E. Hunt (R)					
W. Sandman Jr. (R)		X			
J. Howard (D)				R	X
Thompson Jr. (D)				R	X
H. B. Frelinghuysen (R)	V				XR
B. Forsythe (R)					
B. Widnall (R)				R	X
A. Roe (D)				R	X
Helstoski (D)			X		R
W. Rodino Jr. (D)					
G. Minish (D)					
J. Rinaldo (R)			R		
J. Maraziti (R)				R	
V. Daniels (D)	X			R	
J. Patten (D)			X	R	R
NEW YORK					
Lujan Jr. (R)			X		
Runnels (D)					
NEW YORK					
G. Pike (D)			X		
R. Grover Jr. (R)			X		

	1	2	3	4	5
NEW YORK (cont.)					
3-A. D. Roncallo (R)					R
4-N. F. Lent (R)					X
5-J. W. Wydler (R)					
6-L. L. Wolff (D)				R	X
7-J. P. Addabbo (D)			X	R	X
8-B. S. Rosenthal (D)				V	R
9-J. J. Delaney (D)	X	R			
10-M. Biaggi (D)			R	X	V
11-F. J. Brasco (D)			R		
12-S. Chisholm (D)	R			X	
13-B. L. Podell (D)				X	R
14-J. J. Rooney (D)					
15-H. L. Carey (D)					
16-E. Holtzman (D)					V
17-J. M. Murphy (D)					
18-E. I. Koch (D)				R	X
19-C. B. Rangel (D)			X		
20-B. S. Abzug (D)				X	R
21-H. Badillo (D)	R		X		V
22-J. B. Bingham (D)	R			X	
23-P. A. Peysner (R)					
24-O. R. Reid (D)				R	X
25-H. Fish Jr. (R)				R	X
26-B. A. Gilman (R)				R	X
27-H. W. Robison (R)					R
28-S. S. Stratton (D)	X				
29-C. J. King (R)		X			
30-R. C. McEwen (R)			X		
31-D. J. Mitchell (R)					X
32-J. M. Hanley (D)	X				R
33-W. F. Walsh (R)					R
34-F. Horton (R)			X		
35-B. B. Conable Jr. (R)					R
36-H. P. Smith III (R)				R	R
37-T. J. Dulski (D)		X		R	
38-J. F. Kemp (R)				R	R
39-J. F. Hastings (R)					
NORTH CAROLINA					
1-W. B. Jones (D)			X		
2-J. H. Fountain (D)				X	
3-D. N. Henderson (D)				X	
4-L. F. Andrews (D)					
5-W. Mizell (R)			X		

UNDECIDED
POSSIBLY FOR
OR

SOUTH CAROLINA (cont.)

	1	2	3	4	5
1. Preyer (D)					X
2. G. Rose III (D)					
3. B. Ruth (R)			X		R
4. G. Martin (R)					
5. T. Broyhill (R)					
6. A. Taylor (D)					

SOUTH DAKOTA

M. Andrews (R)					X
----------------	--	--	--	--	---

1. J. Keating (R)			X		
2. D. Clancy (R)					X
3. W. Whalen Jr. (R)			X →		
4. Guyer (R)					X
5. L. Latta (R)					
6. H. Harsha (R)			X		
7. J. Brown (R)					X
8. E. Powell (R)					
9. L. Ashley (D)					XR
10. E. Miller (R)			X		
11. W. Stanton (R)					X
12. L. Devine (R)					X
13. A. Mosher (R)					
14. F. Seiberling (D)		R		X	
15. P. Wylie (R)				R	X
16. S. Regula (R)			x		X
17. M. Ashbrook (R)				R	X
18. L. Hays (D)			X		
19. J. Carney (D)	X				
20. V. Stanton (D)		R		X	
21. Stokes (D)			R	X	V
22. A. Vanik (D)					
23. E. Minshall (R)					

OKLAHOMA

1. R. Jones (D)			X		
2. R. McSpadden (D)					
3. Albert (D)					
4. Steed (D)					
5. Jarman (D)					
6. N. H. Camp (R)					

OREGON

	1	2	3	4	5
1-W. Wyatt (R)			X	X	XX
2-A. Ullman (D)					XX
3-E. Green (D)					XX
4-J. Dellenback (R)			R		X

PENNSYLVANIA

1-W. A. Barrett (D)					
2-R. N. C. Nix (D)					
3-W. J. Green (D)	X				
4-J. Eilberg (D)	X				
5-J. Ware (R)					
6-G. Yatron (D)		X			
7-L. G. Williams (R)					
8-E. G. Biester Jr. (R)					X
9-E. G. Shuster (R)					X
10-J. M. McDade (R)			← X		
11-D. J. Flood (D)					
12-J. P. Saylor (R)					
13-R. L. Coughlin (R)					
14-W. S. Moorhead (D)					X
15-F. B. Rooney (D)		X			
16-E. D. Eshleman (R)					X
17-H. T. Schneebeli (R)					X
18-H. J. Heinz III (R)				X	
19-G. A. Goodling (R)					X
20-J. M. Gaydos (D)	X				
21-J. H. Dent (D)	X				
22-T. E. Morgan (D)		X			
23-A. W. Johnson (R)					
24-J. P. Vigorito (D)		X →			
25-F. M. Clark (D)		X			

RHODE ISLAND

1-F. J. St. Germain (D)		X			
2-R. O. Tiernan (D)		X			

SOUTH CAROLINA

1-M. J. Davis (D)					X
2-F. Spence (R)					
3-W. J. B. Dorn (D)				X	
4-J. R. Mann (D)					
5-T. S. Gettys (D)				V	X
6-E. L. Young (R)					VRX

POSSIBLY OPPOSED
 UNDECIDED
 POSSIBLY FOR
 OR

TH DAKOTA

1. E. Denholm (D)
 2. Abdnor (R)

MISSISSIPPI

1. H. Quillen (R)
 2. J. Duncan (R)
 3. Baker (R)
 4. L. Evins (D)
 5. Fulton (D) X
 6. L. Beard Jr. (R)
 7. Jones (D)
 8. Kuykendall (R)

MISSOURI

1. Patman (D)
 2. Wilson (D)
 3. M. Collins (R)
 4. Roberts (D) X
 5. Steelman (R)
 6. E. Teague (D) X
 7. Archer (R)
 8. Eckhardt (D) X
 9. Brooks (D)
 10. J. Pickle (D)
 11. R. Poage (D) X
 12. Wright (D)
 13. Price (R)
 14. Young (D) R
 15. de la Garza (D)
 16. C. White (D) X
 17. Burlison (D)
 18. C. Jordan (D) X
 19. Mahon (D) X
 20. B. Gonzalez (D) X
 21. C. Fisher (D)
 22. Casey (D)
 23. Kazen Jr. (D)
 24. Milford (D)

INDIANA

1. G. McKay (D) X
 2. Owens (D) X

VERMONT

1. AL-R. W. Mallery (R) X

VIRGINIA

1-T. N. Downing (D)
 2-G. W. Whitehurst (R)
 3-D. E. Satterfield III (D)
 4-R. W. Daniel Jr. (R) X
 5-W. C. Daniel (D)
 6-M. C. Butler (R)
 7-J. Kenneth Robinson (R) X
 8-S. E. Parris (R)
 9-W. C. Wampler (R) X
 10-J. T. Broyhill (R) X

WASHINGTON

1-J. Pritchard (R) X X
 2-L. Meeds (D) R X
 3-J. B. Hansen (D) XR
 4-M. McCormack (D) X
 5-T. S. Foley (D) X
 6-F. V. Hicks (D) X R
 7-B. Adams (D) R X

WEST VIRGINIA

1-R. H. Mollohan (D) X
 2-H. O. Staggers (D) X
 3-J. M. Slack (D) X
 4-K. Hechler (D) X

WISCONSIN

1-L. Aspin (D)
 2-R. W. Kastenmeier (D) X
 3-V. W. Thomson (R)
 4-C. J. Zablocki (D) X
 5-H. S. Reuss (D) R X
 6-W. A. Steiger (R) X
 7-D. R. Obey (D) V X
 8-H. V. Froehlich (R) X
 9-G. R. Davis (R)

WYOMING

1. AL-T. Roncalio (D) X

COUNCIL ON INTERNATIONAL ECONOMIC POLICY

2/28/74

TO: MAX FRIEDERSDORF

~~FROM: LARRY BRADY~~ 4/73

~~TO~~
Any thoughts or comments?

Attachment

Samuel O. H.

advised by phone *may*

MEMORANDUM

COUNCIL ON INTERNATIONAL ECONOMIC POLICY

February 28, 1974

MEMORANDUM FOR: PETER M. FLANIGAN
FROM: LARRY BRADY 
SUBJECT: House Hearings on CIEP, Ex-Im
& the Export Administration Act

Lud Ashley (through Joe Jasinski, his man on the House Banking and Currency Committee) has worked out the following scenario for hearings on these three subjects. He envisions two weeks of hearings beginning on March 25, and ending April 5 (nine days). Ashley and Jasinski would like to approach all of these matters in the context of a set of hearings on international economic policy.

They would like you to testify on the first day, March 25. They would expect you to deal with the first of the policy objectives in the CIEP legislation, namely, "(a) a clear top level focus for the full range of international economic issues; deal with international economic policies including trade, investment, balance of payments, and finance as a coherent whole". Ashley would look to you as a "teacher" to the Committee on these issues, and also as a sounding board, giving him insight as to how to develop and prepare for the following days of hearings. The CIEP report would be a focal point.

The second day would be devoted to Congressman Ichord and associates, who would address themselves to the Exim-Soviet credit issue.

The following few days would have public witnesses such as those who have been trading with the Soviets, the U.S. Chamber of Commerce, and the bankers. This would be followed by public witnesses on the export embargo question; wheat, fertilizer, copper, etc.

They would hope to finish up the hearings with government witnesses as follows:

April 2:	Ex-Im
April 3:	Commerce, Defense, Agriculture
April 4:	Shultz with Volcker
April 5:	Kissinger

Shultz would be expected to address himself to the second policy point in the CIEP legislation, "(b) consistency between domestic and foreign economic policy"; and Kissinger would address himself to the third, "(c) close coordination with basic foreign policy objectives".

Ashley would like to know our ideas regarding this scenario. They hope that by having you as their first witness and finishing up with government witnesses they may be able to defuse the Ex-Im credit issue somewhat, and mesh it into the overall international economic and foreign policy picture.

They will not lump the three items in one bill, however. CIEP, Ex-Im, and the Export Administration Act would all be dealt with in separate legislation.

I am inclined to think that this is basically a good scenario, and one which we should agree to. However, in view of your meeting tomorrow with Bill Gifford and Nancy Pigman of Ex-Im, you may want to discuss the matter with them before getting back to Ashley. If you want, I will give them a copy of this memorandum before tomorrow's meeting.

THE WHITE HOUSE

WASHINGTON

February 28, 1974

MEMORANDUM FOR: SECRETARY KISSINGER
THROUGH: WILLIAM E. TIMMONS
FROM: TOM C. KOROLOGOS **TK**
SUBJECT: Trade Hearings

On March 7, when you appear before the Senate Finance Committee for the hearings on the Trade bill, Senator Gaylord Nelson (D-Wisc) is going to ask you about a proposal which he says might solve the Jackson Amendment problem.

Nelson is going to recommend that in lieu of the Jackson Amendment they write into law a two-year MFN/Credits Congressional review provision. The point would be that every two years Congress would take a new look at how the Soviets were doing on allowing people to leave. If the figures were high enough (30,000?) they would continue to receive MFN/Credits. But, if the totals dropped to a low figure (10,000 or less or something) one House of Congress could pass a resolution of disapproval (ala our reorganization and pay plans) and the Soviets would lose their MFN/Credits.

Nelson feels this is much better than the Jackson Amendment because it would be a "lever" (your word) that could be used on them every two years. He feels the reason the Soviets have been lenient lately is because of the "threat" of the Jackson Amendment. If it passes, the "threat" or "lever" disappears and the Soviets could revert to their old evil ways.

Nelson feels he can sell this plan to the Jewish groups (with our help) and he wants to try it on you on March 7. He floated it with Long the other night and Long sounded receptive.

It makes some sense to me and could be our way out of this mess. At any rate, be ready for the question.

cc: Brent Scowcroft
Len Garment
Peter Flanigan
Max Friedersdorf ✓