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MEETING WITH
GEORGE MEANY & LABOR LEADERS

Tuesday, September 9, 1975

3:30 P. M.

THE PRESIDENT HAS SEEN....

THE WHITE HOUSE
WASHINGTON

September 18, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

L. WILLIAM SEIDMAN

FROM:

JAMES E. CONNOR 

SUBJECT:

COMMITTEE ON MARITIME
POLICY

The President reviewed your memorandum of September 15th on the above subject and approved the following individuals for membership on the Committee on Maritime Policy:

William E. Simon
John T. Dunlop
Rogers C.B. Morton
James T. Lynn
L. William Seidman, Chairman

Please follow-up with appropriate action.

cc: Don Rumsfeld

THE WHITE HOUSE
WASHINGTON

Jim -

I spoke to Bob Linder on
this and he is checking out to see
what has to be done officially to
establish this Committee.

Trudy

*Bob said they will
just make a
record it was established
HBF 9/19*

THE WHITE HOUSE

WASHINGTON

September 15, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: L. WILLIAM SEIDMAN

fwS

SUBJECT: COMMITTEE ON MARITIME POLICY

On September 9, you approved Secretary Dunlop's recommendation that "in the period until the middle of October, there shall be appointed a top level small committee to assess American maritime policy and to consider the establishment of a formal mechanism representative of labor, management, and top government officials to review and to recommend an active maritime policy for the United States."

In following up on his recommendation, Secretary Dunlop proposes that the Committee consist of the following:

William E. Simon
John T. Dunlop
Rogers C.B. Morton
James T. Lynn
L. William Seidman, Chairman

Secretaries Simon and Dunlop and Jim Lynn feel it would be best if they do not chair the Committee.

Approve

fwS

Disapprove _____

THE WHITE HOUSE

WASHINGTON

MEETING WITH GEORGE MEANY AND LABOR LEADERS
September 9, 1975
3:30 p.m.

MEMORANDUM OF DECISIONS

FROM: L. WILLIAM SEIDMAN

fwS

Decision 1: Creation of Maritime Policy Committee

The President announced to the labor leaders that he was creating a small committee to assess American maritime policy and read the following statement:

"In the period until the middle of October, there shall be appointed a top-level small committee to assess American maritime policy and to consider the establishment of a formal mechanism representative of labor, management and top government officials to review and to recommend an active maritime policy for the United States."

CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

September 9, 1975

MEETING WITH GEORGE MEANY AND LABOR LEADERS

September 9, 1975

3:30 p. m.

Cabinet Room

From: L. William Seidman

*fwS*I. PURPOSE

To discuss with Mr. Meany and other labor leaders your decisions regarding grain sales to the Soviet Union and related U.S. maritime policy.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: On August 26 you met with Mr. Meany and other labor leaders and discussed their views on the price effects of additional grain sales to the Soviet Union, arrangements for any sales of grain to the Soviet Union, and related U.S. maritime policy. At that meeting Mr. Meany expressed his concern over the uncertainty and volatility of Soviet grain purchases and the disruptive effect this had on our market and the international market. He urged you to seek a solution to this problem.

At yesterday's economic and energy meeting you approved a document prepared by Secretary Dunlop outlining an interim program for grain sales to the Soviet Union, subject to clearance with the Soviet Union by Secretary Kissinger of their agreement to commence negotiations for a long-term grain agreement. Clearance with the Soviets is currently underway.

Secretary Dunlop has shown a text of the "Program for Grain" to Mr. Meany and other labor leaders who have informed Secretary Dunlop that they are prepared to advise their members to load grain on vessels for shipment to the Soviet Union if the contents of the document are made public.

DECLASSIFIED

E.O. 13526 (as amended) SEC 3.3

NSC Memo, 3/30/06, State Dept. Guidelines

By HR NARA, Date 9/10/12

Mr. Meany has informed Secretary Dunlop that he does not want to come to the meeting unless the document can be released. Release of the document is dependent upon agreement by the Soviets, which hopefully will be obtained by early afternoon.

I have reviewed the document, "Program for Grain," (Tab A) with Secretary Dunlop. Section (3) of the document includes the following: "The country must have a new procedure for the sale of feed grains and wheat to such a large bulk purchaser as the Soviet Union. I am sending representatives to the Soviet Union at once. I am also establishing a Food Committee of the Economic Policy Board/National Security Council in my office to monitor these developments." Secretary Dunlop indicated that his view, and his impression of Mr. Meany's view, of this section was that it recognized the need for some change in the present system of grain sales to the Soviet Union. The new procedures could involve government-to-government determination of overall amounts and a long-term agreement. It also recognizes that beyond a certain level of sales the national interest, broadly defined, should govern the sale of grain to the U.S.S.R. He was equally clear that this language should not be interpreted as our commitment either to establishment of an entity similar to the Canadian Wheat Board or to government sales of grain.

Secretary Dunlop envisions the EPB/NSC Food Committee as responsible, under your direction, for: (1) clearing negotiating instructions for a long-term grain sale to the Soviet Union; (2) determining the amount of additional sales of grain to the Soviet Union during the 1975-76 crop year; (3) considering the issue of shipping freight rates and any revision of the proportion of tonnage carried in U.S. vessels of grain shipments to the Soviet Union; and (4) the development and maintenance of data on grain production and exports. Members of the Committee would include representatives of the Departments of State, Treasury, Labor and Agriculture, the Office of Management and Budget, the Council of Economic Advisers, the Assistant to the President for Economic Affairs, and the Assistant to the President for National Security. The EPB Food Deputies Group would serve as staff to the Food Committee.



I will be discussing these matters with Under Secretary Robinson and Brent Scowcroft this morning.

Secretary Dunlop recommends that you propose establishment of a short-term, top level committee to assess U.S. maritime policy at the conclusion of your meeting with Mr. Meany. Secretary Dunlop's memorandum is attached at Tab B.

- B. Participants: George Meany, Lane Kirkland, Paul Hall, Jessie Calhoun, Teddie Gleason, Shannon Wall, John Dunlop, Jim Lynn, William Seidman, Paul MacAvoy
- C. Press Plan: White House photographer.

III. TALKING POINTS

- A. Introduction: At our last meeting, George, you presented me with a problem -- the way in which the United States deals with the Soviet Union in handling grain sales.

You correctly pointed out the uncertainty and volatility of their grain purchases in recent years and the disruptive effect this has had on our market and on international markets. You urged that we seek a solution to this problem.

We have worked hard on solutions during the past two weeks, and while we don't have a final solution, we do have an interim program that we believe provides a good foundation for a successful resolution of this problem.

- B. Review of the "Program on Grain": Secretary Dunlop suggests that you read the document "Program on Grain" and then get Mr. Meany's reaction to it.
- C. Maritime Committee

If you approve Secretary Dunlop's recommendation of the establishment of a Maritime Committee (Secretary Dunlop's memorandum is attached at Tab B), he suggests that you simply indicate this at the close of the meeting and that the formation of this Committee would not be part of the public release of the "Program on Grain."



THE WHITE HOUSE

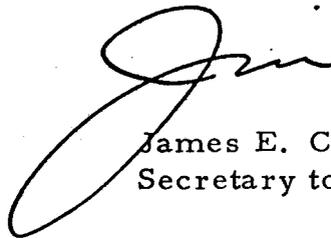
WASHINGTON

September 10, 1975

MEMORANDUM FOR THE HONORABLE JOHN T. DUNLOP

The President's briefing paper for the meeting yesterday with George Meany and Labor Leaders was returned with the following notation:

"John Dunlop --- Excellent job"

A handwritten signature in black ink, appearing to read 'J. Connor', written in a cursive style.

James E. Connor
Secretary to the Cabinet

THE WHITE HOUSE
WASHINGTON

John Dunlop

Excellent job

September 9, 1975

Statement

- (1) The purchase by the Soviet Union of wheat and feed grains in the United States has been highly erratic over the years. The following table shows these purchases for recent years, including purchases to date for the 1975-76 season:

<u>Years</u>	<u>Feed Grains</u> (in millions of metric tons)	<u>Wheat</u>	<u>Total</u>
1971-72	2.8	0.0	2.8
1972-73	4.2	9.5	13.7
1973-74	3.4	2.7	6.1
1974-75	.8	1.0	1.8
1975-76 (to date)	5.8	4.4	10.2

The considerable variation in large bulk purchases by a single state trading company contrasts with the more steady purchases of these grains by such customers as commercial enterprises in Japan and Western Europe. Because these purchases are highly variable and uncertain, American farmers have not been able to count on this market in their planting intentions to the extent they have on other foreign purchasers. Moreover, highly volatile and unpredictable purchases emerging after the crop planting tend to contribute to price instability.

- (2) It would contribute materially to the interests of the American farmer, workers in the transportation industries and American consumers, as well as be in the interests of our customers abroad, if we could develop a longer-term and more certain purchase understanding with the Soviet Union, providing among other features for certain minimum purchases.
- (3) It will take some time to explore the possibilities of a long-term agreement. The country must have a new procedure for the sale of feed grains and wheat to such a large state purchaser as the Soviet Union. I am sending representatives to the Soviet Union at once. I am also establishing a Food Committee of the Economic Policy Board/National Security Council in my office to monitor these developments.
- (4) We have already sold a volume of wheat and feed grains which will take four to six months to ship at maximum rates of transportation operations. Accordingly, there is no immediate necessity to decide about further future sales at this time, and I am extending the present moratorium on sales to the Soviet Union until mid-October when additional information on world supplies and demands is available. This extended period should provide

the opportunity to negotiate for a long-term agreement with the Soviet Union.

(5) Under these circumstances, I am requesting the longshoremen to resume voluntarily the shipping of American grain while these discussions go forward, and the matter can be reassessed in the middle of October.

(6) It will be necessary to complete the negotiations over shipping rates in order to make it possible for American ships to carry wheat and to assure that at least one-third of the tonnage is carried in American ships, as provided by the agreement with the Soviet Union which expires on December 31, 1975, which is also under renegotiation.

Not for public release:

- (7) In the period until the middle of October, there shall be appointed a top-level small committee to assess American maritime policy and to consider the establishment of a formal mechanism representative of labor, management and top government officials to review and to recommend an active maritime policy for the United States.

Program for Grain

- (1) The purchase by the Soviet Union of wheat and feed grains in the United States has been highly erratic over the years. The following table shows these purchases for recent years, including purchases to date for the 1975-76 season.

<u>Years</u>	<u>Feed Grains</u>	<u>Wheat</u>	<u>Total</u>
	(in millions of metric tons)		
1971-72	2.8	0.0	2.8
1972-73	3.5	9.4	12.9
1973-74	4.1	2.7	6.8
1974-75	1.2	1.0	2.2
1975-76 (to date)	5.6	4.2	9.8

The considerable variation in large bulk purchases by a single state contrasts with the more steady purchases of these grains by such customers as commercial enterprises in Japan and Western Europe. Because these purchases are highly variable and uncertain, American farmers have not been able to count on this market in their planting intentions to the extent they have on other foreign purchasers. Moreover, highly volatile and unpredictable purchases emerging from the crop planting tend to contribute to price instability.

- (2) It would contribute materially to the interests of the American farmer, workers in the transportation industries and American consumers, as well as be in the interests of our customers abroad, if we could develop a longer term and more certain purchase understanding with the Soviet Union, providing among other features for certain minimum purchases.
- (3) It will take some time to explore the possibilities of a long-term agreement. The country must have a new procedure for the sale of feed grains and wheat to such a large bulk purchaser as the Soviet Union. I am sending representatives to the Soviet Union at once. I am also establishing a Food Committee of the Economic Policy Board in my office to monitor these developments.
- (4) We have already sold a volume of wheat and feed grains which will take at least four months to ship at maximum rates of transportation operations. Accordingly, there is no immediate necessity to decide about further future sales at this time, and I am extending the present moratorium on sales until mid-October when additional information on world supplies and demands is available. This extended period should provide the opportunity to negotiate for a long-term agreement with the Soviet Union.

- (5) Under these circumstances, I am requesting the longshoremen to resume voluntarily the shipping of American grain while these discussions go forward and the matter can be reassessed in the middle of October.

- (6) It will be necessary to complete the negotiations over shipping rates in order to make it possible for American ships to carry wheat and to assure that at least one-third of the tonnage is carried in American ships, as provided by the agreement with the Soviet Union which expires on December 31, 1975, which is also under renegotiation.

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

September 8, 1975

MEMORANDUM FOR THE PRESIDENT

The draft of the Program for Grain which was presented to you at the meeting this afternoon, and which you approved, did not include one matter which I had been discussing with the maritime unions apart from discussions with Mr. Meany. The reason this point was not mentioned in the six points in the Program for Grain is that the point relates exclusively to the maritime unions.

I propose that at the end of the meeting on maritime matters now scheduled for Tuesday, September 9, at 3:15 PM, you might say:

"In the period until the middle of October, there shall be appointed a top-level small committee to assess American maritime policy and to consider the establishment of a formal mechanism representative of labor, management and top government officials to review and to recommend an active maritime policy for the United States."


John T. Dunlop