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THE WHITE HOUSE  
WASHINGTON

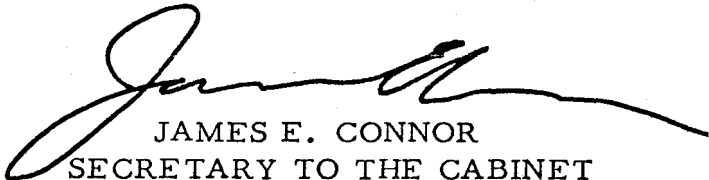
December 9, 1975

MEMORANDUM FOR  
THE CABINET

SUBJECT: CABINET MEETING, WEDNESDAY, DECEMBER 10, 1975

The President has approved the following agenda for the Cabinet meeting scheduled for Wednesday, December 10th, at 11:00 a.m., in the Cabinet Room.

Debriefing on the President's Trip to the Pacific Basin	<u>The President</u>	15 minutes
Briefing on the Status of the Budget Process	<u>James Lynn</u>	15 minutes
Briefing on Campaign Progress	<u>Howard Callaway</u>	45 minutes
Briefing on Cabinet Members Campaign Appearances	<u>Secretary Morton</u>	10 minutes
Briefing on Legal Questions regarding Campaign Participation	<u>Philip Buchen</u>	30 minutes

  
JAMES E. CONNOR  
SECRETARY TO THE CABINET

THE WHITE HOUSE

WASHINGTON


December 9, 1975

CABINET MEETING

Wednesday, December 10, 1975

11:00 a.m. (90 minutes)

The Cabinet Room

From: James  Connor

I. BACKGROUND, PARTICIPANTS AND PRESS PLAN

1. Background: You last met with the Cabinet on November 6th when you hosted a dinner for them at the Residence. A meeting was scheduled on November 26th prior to your Pacific Basin trip, but was cancelled because of your heavy schedule. This meeting will cover the subjects which had been planned for the November 26th meeting.
2. Participants: Attached at Tab A
3. Press Plan: Press Photo at Beginning of Meeting and David Kennerly Photo.

II. TALKING POINTS

1. As you know, I've just gotten back from an extensive trip to the Pacific Basin. I thought you might like to be debriefed on that trip. (General Scowcroft has provided talking points for this item, which are attached at Tab B.)
2. As you all know, the budget process is pretty well along. We are coming close to the deadline, and I have asked Jim Lynn to give us a report on the situation. Jim,...
3. Since we will be entering a campaign year in 1976, I have decided to devote the remainder of this meeting to issues concerning the campaign. We will begin with a progress report from Bo Callaway. Bo,...

4. Rog Morton has recently written to some of the Cabinet members concerning campaign appearances. I understand some of you have some questions, and I have asked Rog to discuss this with us today. Rog,...
5. Finally, Phil Buchen has prepared a briefing on the legal questions regarding campaign activities to bring us up to date on what we can and cannot do under the new rules and regulations. Phil,...

Attendees  
Cabinet Meeting  
Wednesday, December 10, 1975

The President  
The Vice President

The Secretary of the Treasury, William Simon  
The Attorney General, Edward Levi  
The Secretary of Agriculture, Earl Butz  
The Secretary of Commerce, Rogers C. B. Morton  
The Secretary of Labor, John Dunlop  
The Secretary of HEW, F. David Mathews  
The Secretary of HUD, Carla A. Hills  
The Secretary of Transportation, William T. Coleman  
The Deputy Secretary of State, Robert Ingersoll (For Secretary Kissinger  
who is leaving for Europe today)  
The Deputy Secretary of Defense, William P. Clements (for Secretary  
Rumsfeld who is abroad)  
The Under Secretary of the Interior, D. Kent Frizzell (for Secretary  
Kleppe, who is in Los Angeles)  
The Counsel to the President, Philip Buchen  
The Counsellor to the President, Robert Hartmann  
The Director of OMB, James Lynn  
The Counsellor to the President, John O. Marsh  
The U. S. Representative to the United Nations, Daniel P. Moynihan  
The Deputy Special Representative for Trade Negotiations, Clayton Yeutter  
(for Ambassador Dent, who is in Geneva)

White House/Executive Office:

William Baroody, Assistant to the President for Public Liaison  
James Cannon, Assistant to the President for Domestic Affairs  
Richard Cheney, Assistant to the President  
James Connor, Secretary to the Cabinet  
Max Friedersdorf, Assistant to the President for Legislative Affairs  
Alan Greenspan, Chairman, Council of Economic Advisers  
Willian Greener, Deputy Press Secretary to the President  
Brent Scowcroft, Assistant to the President for National Security Affairs  
L. William Seidman, Assistant to the President for Economic Affairs

Agencies:

Russell Train, Administrator, EPA  
Frank Zarb, Administrator, FEA

Other:

Howard Callaway, PFC  
Stewart Spencer, PFC  
Mary Louise Smith, Chairman, RNC

~~SECRET~~TALKING POINTSPeople's Republic of China

1. I went to China with the intention of sustaining and building on the dialogue which we have established with the leaders in Peking over the last four years. I believe this serves the most fundamental interests of our country: to help shape the evolution of a more stable balance among the great powers; and to create the conditions for a more permanent and realistic relationship with a country with almost a quarter of the world's population.
2. I went to Peking with no illusions. We clearly have basic areas of disagreement with the Chinese. Quite apart from the differences of philosophy, culture, and social systems, they perceive the state of the world in much more ominous terms than do we. They believe the prospects for a new world war are substantial. They maintain a bitter hostility toward the Soviet Union that is reflected in both political and military confrontation.
3. For all these areas of difference, we did find much in common with the Chinese. Although our approaches to dealing with the Soviet Union differ, given our varying positions in the world and our respective national interests, we share a distrust of Soviet intentions. The Chinese support a strong NATO, as we do. They urge the Japanese to maintain strong ties to the U.S., a policy of obvious value to us. They wish to see Soviet influence excluded from the Middle East. And we both are wary of Moscow's efforts to extend Soviet influence directly or indirectly into such places as Angola, the Indian Subcontinent, and Southeast Asia. I believe my talks with Chairman Mao and Vice Premier Teng strengthened the basis for continuing parallel actions on these issues of common concern. We also clarified our areas of continuing difference. I indicated, for example, that our people find it difficult to accept some of the Chinese criticism of our policies that serve their own interests as well as ours -- as in the Middle East.

~~SECRET~~

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E.O. 12958, Sec. 3.5

NSC Memo, 11/24/98, State Dept. Guidelines  
By WJM, NARA, Date 5/15/00

4. On Korea, our public policies clearly differ, but my impression is that the Chinese would not find instability on the peninsula helpful to their security concerns any more than we would. I believe they will oppose the stirring up of trouble there.
5. On Taiwan and the normalization question, the Chinese did not press for a change in the present situation. They know that there are strong feelings in this country, and they see that our influence there keeps the situation stable. At the same time, their interest in the eventual completion of the normalization process has not changed. I believe that it is important that that should at some point take place -- for the larger strategic interests involved -- but there was no attempt to resolve the specific timing and the actual modalities of a new arrangement.
6. As you know from the public announcement, the Chinese very helpfully provided information on seven MIAs lost in past years along the Chinese periphery. Hopefully this may encourage Hanoi to be more forthcoming in accounting for our Indochina MIAs.
7. To summarize, I believe my four days in Peking contributed to the strengthening of our relationship with the People's Republic of China in a manner that will further our efforts to create a more stable international situation.

#### Indonesia and the Philippines

1. My visits to Indonesia and the Philippines were especially useful parts of the Pacific trip. They put our overall relations with the region into perspective in the context of my trip to China and our active dealings with the Japanese this past year.
2. Both President Marcos and President Suharto said that the fall of Vietnam and Cambodia last spring had produced very real questions about the future role of the U.S. in their part of the world.

3. My visit elicited comments from both of them that they do not want the U. S. to retreat to a "fortress America." They want us to play a constructive and responsible role in Asia. I told them this was precisely our intention. My speech at the East-West Center in Hawaii on Sunday was designed to explain to the American people our overall approach to the Pacific region.
4. I was highly impressed by the receptions we received in both countries, particularly in the Philippines. We have many friends and much public good will in these two countries. They are looking to us for leadership and support. I told them both that we want to sustain strong and friendly relations.
5. President Marcos is basically concerned with two aspects of our relationship: achieving more favorable terms of trade for Philippine products, and revising our base arrangements so that it does not appear as though they have no control over them. Marcos genuinely wants the bases to remain. He told me the Chinese had not in any way pressed him for their removal.
6. We agreed that we would negotiate on both subjects in the near future. We hope to include investment guarantees that would be helpful to American investors, as well as trade arrangements which are in Philippine interests, in our overall treaty. While we may agree to some changes in the base arrangements, there will be no reduction in our operating capability.
7. Indonesia is a country which merits our close attention and interest. It is the fifth most populous country in the world. It is also rich in oil resources, although its per capita income is still very low.
8. Indonesia is a member of OPEC, and we have tended to lump it together with the other OPEC countries when enacting restrictive or retaliatory legislation. I do not believe this has been a wise course. Indonesia has not in the past supported the harshest OPEC actions, such as the embargo and the full amount of the recent ten percent price increase.



9. The Indonesians are concerned about the possible spread of Communist subversion in their country. They keep Peking and Hanoi at arms length and try to react quickly to possible threats.
10. The Indonesians also indicated they want to encourage U. S. investment in their country.