The original documents are located in Box 52, folder "1975/10/07 - Republican Congressional Leaders" of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

THE WHITE HOUSE

WASHINGTON

October 6, 1975

MEETING WITH REPUBLICAN CONGRESSIONAL LEADERS
Tuesday, October 7, 1975
8:00-9:30 a.m. (90 minutes)
The Cabinet Room

From: Max L. Friedersdorf

I. PURPOSE

To discuss with the leaders the President's tax cut/spending limit announcement, the 200-Mile Limit Bill, and energy legislation.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

1. The President addressed the Nation on Monday evening regarding recommendations for tax and spending legislation. Prior to the address, the President met with the Republican Congressional Leadership.

2. The House will consider H.R. 200, the Marine Fisheries Conservation Act of 1975, on Tuesday, October 7. The bill extends coastal state jurisdiction over fishing resources within 200 miles of their shores.

3. The Department of State strongly opposes enactment of the 200-Mile Limit and will recommend a veto. State maintains bilateral negotiations to limit the foreign catch off the U.S. coast are proving productive. Successful negotiation of a multilateral treaty will provide better protection than unilateral action proposed in the House bill, State maintains. State also believes enactment of the bill would risk failure of both bilateral agreements and negotiation of a comprehensive Law of the Sea treaty. Commerce opposes bill, Treasury has no position, Transportation also objects.

4. Despite opposition by State, there is strong Congressional support for the measure. John Rhodes as well as Ed Forsythe, ranking minority Member on the Merchant Marine and Fisheries Subcommittee on Fisheries, will speak for the bill. Phil Ruppe, the ranking minority Member on Merchant Marine and Fisheries, is ambivalent, while John Anderson opposes it.

5. A conference on S. 622 and H.R. 7014, the unacceptable energy bills, is scheduled to start today, Tuesday, October 7. The Senate continues debate this week on the Natural Gas Bill.

6. Other issues the leaders might possibly raise are Sinai (scheduled for House and Senate Floor action this week), and Panama Canal which will be considered today, Tuesday, October 7, when the House considers H.R. 8121, the Conference Report on State Department Appropriations which contains new language: "It is the sense of the Congress that any new Panama Canal Treaty or agreement must protect the vital interests of the U.S. in the Canal Zone and in the operation, maintenance, property, and defense of the Panama Canal." The House also will vote today, Tuesday, October 7, on an override attempt on the President's veto of H.R. 4222, the Child Nutrition School Lunch Program. Both the House and Senate are expected to override.

B. Participants: See Tab A

C. Press Plan:

Announce to the Press as a regular Republican Leadership meeting. White House photographers only.

III. AGENDA See Tab B

IV. TALKING POINTS

1. Tax cut/Spending limit - See Tab C

2. 200-Mile Limit Bill - See Tab D

3. Energy legislation - See Tab E

4. We have three important agenda items today - the tax cut and spending ceiling proposals of last evening; the 200-Mile Limit bill, and energy.

5. First, let us discuss my recommendations concerning permanent tax cuts coupled with spending limitations...

PARTICIPANTS

The President
The Vice President
The Secretary of State
The Secretary of the Treasury

SENATE

Hugh Scott
Bob Griffin
John Tower
Carl Curtis
Bob Stafford
Ted Stevens
Milt Young
Paul Fannin
Cliff Case
Glenn Beall
Jim Pearson

HOUSE

John Rhodes
Bob Michel
John Anderson
Sam Devine
Jack Edwards
Barber Conable
Lou Frey
Guy Vander Jagt
Jimmy Quillen
Bud Brown
Hèrm Schneebeli
Al Cederberg
Bill Broomfield
Phil Ruppe
Ed Forsythe

STAFF

Don Rumsfeld
Bob Hartmann
Jack Marsh
Phil Buchen
Ron Nessen
Max Friedersdorf
Jim Cannon
Alan Greenspan
Frank Zarb
Brent Scowcroft
Dick Cheney
Doug Bennett
Vern Loen
Bill Kendall
Pat O'Donnell
Charles Leppert
Tom Loeffler
Bob Wolthuis

REGRETS

Secretary Schlesinger
Secretary Morton
Bill Seidman
Bill Baroody
Jim Lynn

AGENDA

8:00-8:15 a.m. (15 minutes)	The President opens the meeting, announces the agenda, and introduces the subjects of a tax cut and spending limitation.
8:15-8:30 a.m. (15 minutes)	The President calls upon Secretary Simon and Alan Greenspan for additional comments on the tax cut and spending limitation.
8:30-8:45 a.m. (15 minutes)	The President opens the tax cut and spending limit proposals to the leadership for comments and discussion.
8:45-8:50 a.m. (5 minutes)	The President introduces the subject of the 200-Mile Limit Bill.
8:50-9:00 a.m. (10 minutes)	The President calls upon Secretary Kissinger to discuss objections to the 200-Mile Limit Bill.
9:00-9:15 a.m. (15 minutes)	The President invites the leaders' comments on the 200-Mile Limit Bill (Rhodes, Anderson, Ruppe, and Forsythe will desire recognition).
9:15-9:20 a.m. (5 minutes)	The President introduces the subject of energy legislation.
9:20-9:25 a.m. (5 minutes)	The President calls upon Frank Zarb for additional energy comments.
9:25-9:30 a.m. (5 minutes)	The President invites the leadership to comment on energy.
9:30 a.m.	The President concludes the meeting.

TALKING POINTS
TAX CUTS AND SPENDING RESTRAINT

1. During the past few weeks we have been reviewing the alternatives with respect to our position on the expiration of the Tax Reduction Act of 1975 and how our proposals might be tied with a spending limitation.

2. I came to two conclusions:

   First, that our Nation is now at a crossroads where we must decide whether we will continue the present pattern of bigger Government, higher taxes, and higher inflation, or whether we will take a new direction reducing the growth of Government and permitting our individual citizens a greater voice in their future.

   Secondly, that the 1975 Tax Reduction Act enacted by the Congress represents a further distortion of our tax system which does not provide sufficient benefits for middle income taxpayers.

3. In light of these two conclusions we developed a program, which I announced last evening, which proposes a substantial and permanent reduction in Federal taxes while at the same time placing a ceiling on the growth on Federal spending in fiscal year 1977.

4. The tax proposals were designed to make permanent changes in our tax system that would make it both more simple and more equitable. About three quarters of the proposed cuts are for individual taxpayers. These tax reductions would occur in three ways:

   (a) By raising the personal exemption from $750 to $1000.

   (b) By replacing the variable standard deduction and the low income allowance with a single standard deduction of $1800 for single individuals and $2500 for married couples.

   (b) By lowering the basic personal income tax rates.

5. The tax cuts that I have proposed are permanent, as opposed to the temporary changes which the Congress passed that will expire on December 31, 1975. The reductions I proposed are substantial--approximately $28 billion in cuts from the 1974 law which would become effective upon the expiration of the 1975 temporary reductions. For example, a typical family of four, earning $14,000 a year would be entitled to a permanent tax reduction of $412 a year which represents 27 percent of their tax liability.

6. The corporate tax cuts include an extension of the corpor-

ate rate and surtax exemption changes which benefit small businesses, a permanent extension of the increase in the investment tax credit to ten percent, and a two percent reduction in the corporate rate from 48 percent to 46 percent.

7. I am also deeply concerned about the growth of Federal expenditure in recent years. Total Federal outlays in FY 1976 will reach $370 billion. Simply projecting at their present levels these programs would result in a $423 billion budget for FY 1977. That would mean, with the tax cut, back-to-back $70 billion deficits. As a country, we simply cannot afford that kind of extravagence. Accordingly, I will propose reductions in the growth of these Federal expenditures of $28 billion which will hold Federal expenditures to $395 billion in FY 1977.

8. I want to emphasize that this is a new approach that strikes out in a new direction--a direction of reversing the enormous growth of Government in our land. It is also a program which is aimed at the Americans who bear the burden of Government spending--those people who earn between $10,000 and $25,000 a year and who belong to our constituency. It is a program which promises a tax cut that is earned, not one that is irresponsible.

9. I am confident that this course of action is what the Nation needs and wants. It is a course of action that will move us in the direction of returning the power and initiative to the people where it belongs. With your support and assistance, we can be successful in their enterprise.

October 6, 1975

SECRET

BACKGROUND MATERIAL AND TALKING POINTS ON 200-MILE INTERIM FISHERIES LEGISLATION

I. BACKGROUND

The relatively slow progress in the Third United Nations Conference on the Law of the Sea (LOS) has increased the pressures in the Congress (as well as in a number of foreign states) to unilaterally declare a 200-mile fisheries zone prior to the conclusion of a comprehensive multilateral LOS treaty. For the past three years, the Executive Branch has been able to convince Congress that a unilateral extension of our national fisheries jurisdiction would be damaging to the overall objectives we seek in a comprehensive oceans law treaty.

The Administration argued last year that unilateral action on fisheries should be avoided because a successful conclusion of the LOS negotiations could be foreseen before the end of 1975. Even so, the Senate last December passed the Magnuson 200-mile fisheries bill by a wide margin; time did not permit hearings in the House and the measure did not reach the floor before the end of the session.

Now, with a timetable for conclusion of the LOS Conference no longer firm, the Congress is ready to move with unilateral action, citing the need to protect our coastal fisheries from depletion by foreign overfishing, especially by Japan and the Soviet Union.

Domestic U.S. fisheries interests are split regarding the passage of 200-mile fisheries legislation. Coastal fishermen and their Congressional supporters, particularly from New England and the Northwest coastal states, including Alaska, blame foreign fishermen for the depletion of coastal stocks, and are demanding immediate U.S. action to exclude foreign fishing within 200 miles of our coasts. On the other hand, tuna, shrimp and salmon interests oppose the 200-mile legislation, believing that passage would lead to their exclusion from the 200-mile zones off other state's coasts, particularly in South America. Although it is widely recognized that U.S. distant water fisheries will be badly hurt by U.S. unilateral action, the Congress in general believes this cost is justified by the need to gain control over the fisheries within 200 miles of this country. A number of House and Senate members also believe that unilateral U.S. fisheries action will spur the LOS negotiations on to successful conclusion.

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The United States has avoided separating one aspect of the Law of the Sea negotiations such as fisheries from the overall negotiations, thus maintaining the linkage between satisfactory resolution of all major oceans issues (freedom of navigation and the strategic implications thereof, marine pollution, scientific research, peaceful dispute resolution, and marine resources including fisheries) if we are to agree to a Law of the Sea treaty. For this reason, in late August, you took a position on interim fisheries legislation which both maintains the longstanding U. S. position against unilateral claims to jurisdiction on the high seas and provides for the necessary initiatives, both multilaterally and bilaterally, to protect the fisheries stocks off our coasts. This position was publically underscored by you at Newport and Seattle, and by Secretary Kissinger in his August 1975 speech to the American Bar Association in Montreal.

Opposing Views Within the Administration. Your decision to continue to seek a multilateral solution to our fisheries problems while at the same time supporting interim fisheries improvements through bilateral negotiations was conveyed in my memorandum of August 22 to the concerned departments. I would note that Secretary Simon was on record at the time as not favoring such an approach to the fisheries problem and continues to believe that the Administration should not oppose the 200-mile legislation now before the Congress. He is supported in this view by Bill Seidman.

Congressional Status

-- House. The 200-mile fisheries bill has attracted over two hundred co-sponsors in the House, particularly from the coastal states. On July 31, the Merchant Marine and Fisheries Committee concluded extensive hearings on the measure, voting 36 to 3 to report the legislation. Subsequent Administration efforts to have the legislation sequentially referred to the International Relations Committee for consideration of the foreign policy implications of enactment failed. On September 24, however, the International Relations Committee did hold oversight hearings and agreed to file a report to the House outlining the negative foreign policy impact. Although this report has not yet been prepared, the Rules Committee has gone ahead and granted a rule bringing the bill to a vote in the full House either Wednesday, October 8 or Thursday, October 9. The measure is expected to pass by an overwhelming majority.

-- Senate. The Commerce Committee on September 25 unanimously reported out a fisheries bill similar to the House version. Action on a request for sequential referral to the Foreign Relations Committee is still pending but is expected to be approved. We would hope to persuade the Committee to issue a negative report on the bill. Although Senate passage of the legislation is probably assured, we have hopes of building a strong, veto-sustaining opposing vote.

-- Strategy. In light of your decision to oppose unilateral fisheries action, the Administration is mounting vigorous opposition to the bill. To make the Administration's position more credible, the NSC Under Secretaries Committee, working with the agencies concerned, is currently preparing a substantive package of interim measures to protect American fisheries. These measures, because of the overwhelming consensus in the Law of the Sea negotiations favoring establishment by states of 200-mile economic zones covering fisheries, would include direct negotiations with the nations fishing off our coasts to attain the LOS objectives on fisheries in advance of treaty enactment. In this regard, we have already been extremely successful in bilateral negotiations with Japan, Poland and the Soviet Union to reduce their catch quotas off our coasts, and regionally in the International Commission for the Northwest Atlantic Fisheries, the body which regulates foreign fisheries off the East coast.

While the momentum is strong in both Houses for passage in this session of legislation extending U.S. fisheries jurisdiction from 12 to 200 miles, your purpose in this meeting with the leadership will be to:

-- underscore the harmful effect that such legislation would have on the achievement of our overall oceans policy objectives in the Law of the Sea forum.

II. TALKING POINTS

Introductory

1. I am very much aware of the concern in the Congress over depletion of our coastal fisheries stocks by foreign overfishing and the desire to act unilaterally to protect these fisheries now, in the absence of a comprehensive Law of the Sea treaty.

2. I share your concerns, but believe that unilateral action by the United States in this area would be harmful to our overall oceans policy interests, including fisheries.

3. I strongly believe that the ongoing Law of the Sea negotiations offer the best hope for protecting all our major oceans policy interests -- freedom of navigation, marine pollution, scientific research, and marine resources, including fisheries.

4. We have always avoided separating one aspect of the Law of the Sea negotiations such as fisheries from the overall negotiations, thus maintaining the linkage between satisfactory resolution of all our oceans policy objectives if we are to agree to a Law of the Sea treaty.

5. I understand the very great need to protect our fisheries from unwarranted foreign intrusion while work on an international treaty continues.

6. For this reason, I have taken a position on the interim fisheries legislation now before the Congress which both maintains the longstanding U.S. position against unilateral claims to jurisdiction on the high seas and provides for the necessary initiatives, both bilaterally and multilaterally, to protect the fisheries stocks off our coasts. I made this position very plain recently in interviews at Newport and Seattle. Secretary Kissinger did the same in his speech at the American Bar Association convention in Montreal.

7. We have already had success in negotiating with the nations fishing off our coasts to obtain catch reductions. Japan, Poland and the Soviet Union are cases in point.

8. More recently, I sent a personal message to the participants in the International Commission for the Northwest Atlantic Fisheries calling for increased conservation and protection of threatened fish stocks off our East coast. I am pleased that the Conference agreed to substantial catch reductions for the coming fishing season. We will follow through to insure that enforcement is strictly carried out. I intend similar strong initiatives to safeguard our fisheries interests.

9. I believe that unilateral fisheries action by the United States would be more harmful than beneficial, and that our ongoing initiatives with nations fishing off our coasts serves the same objective without jeopardizing our overall interests in the LOS negotiations.

Possible Effects of a Unilateral Claim to 200-Mile Fisheries Jurisdiction

1. I want to review with you the possible harmful effects of U. S. unilateral fisheries legislation:

-- A unilateral claim at this time could lead to a confrontation with the Soviet Union, Japan and other fishing nations. The Soviet Union has already indicated to us that they will not recognize a U. S. claim to 200 miles outside a Law of the Sea treaty.

-- Unilateral action at this time would violate our existing treaty obligations and customary international law. Our seizures of foreign fishing vessels would be viewed as a violation of the Convention on the High Seas, in the same way as we view Ecuadorian seizures of U. S. tuna boats beyond 12 miles from the coast of Ecuador.

-- Unilateral action would be certain to trigger unilateral claims by other states. Iceland and Mexico have already declared their intentions to declare 200-mile fisheries zones. Canada, Norway, Denmark, the UK, Kenya, Tanzania and other coastal states are all under intense pressure to follow suit. Widespread national claims would severely complicate our efforts to achieve broad international agreement on fisheries in the LOS negotiations -- and this, in turn, would jeopardize other important U. S. oceans interests.

-- Unilateral action would undermine the U. S. position in the LOS negotiations, where we have urged a careful balance among navigation, security, scientific research, marine pollution, and resource interests in the 200-mile economic zone.

Advantages of a Comprehensive LOS Treaty

1. The negotiations in the LOS Conference have shown us that U. S. oceans policy interests are best served by a comprehensive international agreement rather than a patchwork of unilateral arrangements.

2. I would like to review with you a number of points which underline the importance of an international treaty on oceans policy. I would underscore that many of these are of a classified and sensitive nature because of the interests of the many other nations involved, and because of the active nature of the current UN negotiations.

   -- US navigation interests in ensuring freedom of navigation through and over straits used for international navigation can be protected under a comprehensive LOS treaty.

   -- U. S. interests in conflict avoidance and stability on the oceans will be far better served by an international treaty.

   -- Although relatively unnoticed, the LOS negotiations are providing an opportunity for the solution of bilateral U. S. oceans disputes. Examples include the archipelago disputes with Indonesia and the Bahamas, the Arctic pollution problem with the Canadians, and the salmon problem with the Japanese.

   -- The U. S. will substantially benefit from the 200-mile economic zone. This increased jurisdiction over resources off our coast will be more easily accepted with less cost to our bilateral relations with the Soviets, Japanese and others, and our own distant water fishing interests if we have a treaty.

   -- The multilateral negotiation leading to a global convention provides an opportunity for many countries to overcome strong internal political problems in accepting a reasonable oceans regime. For example, a widely accepted treaty adopting a 200-mile economic zone is highly likely to permit eventual acquiescence in the economic zone and abandonment of the 200-mile territorial sea claims of countries such as Ecuador and Chile.

-- The marine environment will be better protected with a treaty than with a pattern of unilateral claims.

-- The negotiations have been helpful in coordinating oceans policy among the major industrialized states and particularly in enabling close cooperation with the Soviets on oceans policy.

3. These are only some of the reasons supporting a good comprehensive treaty on the law of the sea as the best strategy for U.S. oceans policy. In short, I believe our present policy is correct and we should push ahead on this front without complicating our overall position with unilateral action on such oceans policy issues as fisheries.

Supplementary Talking Point

Agreement was reached in the recent meeting of the International Commission for the Northwest Atlantic Fisheries (ICNAF) to impose a reduction in catch limit of 23%. This has resulted in a total reduction over the past three year period of 43%. Actual tonnage reduction over the three-year period has been from 1.1 million metric tons to .650 million metric tons. At the current catch level, fishery stocks should gradually be replaced to an acceptable level over a period of 5 to 7 years. During this same three-year period, the US share of the permitted catch has increased from 211,000 metric tons to 230,000 metric tons.

STATEMENT OF THE HONORABLE EDWIN B. FORSYTHE (R.-N.J.) BEFORE THE HOUSE RULES COMMITTEE, September 30, 1975, on H.R. 200, THE MARINE FISHERIES CONSERVATION ACT OF 1975.

Mr. Chairman and Members of the Committee, I appreciate the opportunity to testify this morning in support of H.R. 200, the Marine Fisheries Conservation Act of 1975. At the outset, let me assure you that I am not going to repeat the detailed explanation of this bill previously given by my colleage, Congressman Leggett. I, of course, support his statement, and I endorse the views expressed by Congressman Studds, the original author of this legislation. There are several points, however, that I would like to stress.

The overriding issue posed by the opponents of this legislation, principally the Department of State, relates to its timeliness and potential impact upon the Law of the Sea conference which will resume formal deliberations in New York City next March. It is urged that enactment of H.R. 200 would disrupt the conference to such an extent that the chances for a successful Law of the Sea treaty would be substantially diminished. In effect, the rest of the world would simply pick up their marbles and go home. This extremely simplistic view of the complex negotiations taking place in the Law of the Sea conference is not only an insult to our intelligence but is simply not supported by the facts.

Coastal state jurisdiction over fishery resources within 200 miles of their shores and management of migratory and anadromous species which inhabit ocean waters beyond 200 miles from shore during part or all of their life cycle, the subject of H.R. 200, are but two of the many complex issues being debated in the Law of the Sea Conference. While coastal state control over fishery resources, as well as the mineral deposits found within 200 miles of shore, have been generally conceded within the concept of an economic zone, other very basic issues are only at the threshhold stage of serious debate. These include the international rights and obligations of coastal states with respect to the sharing of resources, both living and non-living, within the economic zone, the nature and powers of the international regime which will regulate seabed mining beyond the economic zone, the right of transit through international straits and over-flight, scientific research and marine pollution.

Undoubtedly, the most controversial of these issues is the question of the regime for the seabeds. It was, after all, the proppect of wealth derived from mining the seabed for the benefit of developing nations that triggered this third Law of the Sea conference. The resolution which spawned this effort in the late 1960's spoke in terms of the mineral resources of the oceans beyond national jurisdiction as the common heritage of mankind.

While the full potential of the seabeds as a source of mineral wealth will not be realized for decades, the rules and regulations governing access to mineral deposits on the seabed is the crux of the Law of the Sea conference. It is an issue which the developing nations of the world, which dominate the Law of the Sea conference in terms of numerical strength, have committed themselves to settling on terms which will insure that they and not the industrialized nations of the world will be the chief beneficiaries.

In order to accept the State Department's theory that enactment of H.R. 200 will disrupt the Law of the Sea conference, we must assume that the developing nations of the world are prepared to abandon their quest for an international treaty establishing the regime for the deep seabeds. There is simply no evidence whatsoever to support that assumption. All the evidence is to the contrary. The general consensus for a 200-mile economic zone virtually guarantees to the developing nations full control of their coastal resources. Without a treaty, however, the developing nations have no hope of deriving any ultimate benefit from the rapidly increasing technology of seabed mining. It is the developed nations of the world, and principally the United States, which would benefit most if indeed the rest of the world picked up their marbles and went home.without a new Law of the Sea treaty. American corporations and those of Japan and a few

other countries under national legislation are prepared to begin commercial seabed mining almost immediately. Lacking the hundreds of millions of dollars needed to begin seabed mining, the developing nations simply have no chance whatsoever to share in this wealth without a treaty that in some fashion earmarks a portion of seabed revenues for their benefit. The United States has committed itself to such a treaty, provided it contains reasonable terms for commercial participation in seabed mining.

In essence, what I am saying is that the developing nations have everything to gain and very little to lose by persevering in the Law of the Sea conference. In terms of access, to the mineral resources of the seabed, it is, I am afraid, the United States that ultimately stands to lose in this negotiating process. It is absurd to suggest that the majority of nations will walk out of the Law of the Sea conference because the United States has chosen to protect its coastal and other fishery resources.

The corollary argument offered by the State Department against enactment of H.R. 200 is to the effect that since there is a general consensus for coastal state control of fishery resources within a 200-mile economic zone, the legislation is simply unnecessary. That argument might have some merit if we had any reason to expect a treaty within the next year. The destruction

of our fishery resources under existing ineffectual arrangements is proceeding at a frightening rate. Foreign fishing pressures are growing daily. The Soviet Union agrees to abstain from fishing for species which are vitally important to the American fisherman only after they have been decimated. Thus, we were able to achieve an agreement to substantially reduce foreign quotas on yellow-tail flounder after the Russians and other European fishing nations had virtually destroyed this, our most valuable coastal species.

What are the prospects of securing adoption of a treaty which the United States can ratify? I suggest that the prospect is not good. While I have no doubt that given their overwhelming numerical superiority the developing nations could ram a treaty through the conference next March, the drafting of a treaty which the United States and the other developed nations of the world can sign and ratify is a different matter altogether.

I have already pointed out the fact that the seabed and the nature of the international regime to control ocean mining is a critical issue in these deliberations. It is also an issue upon which the negotiating positions of the United States and the developing nations are diametrically opposed. Our position essentially is that the seabed regime should rely basically on private enterprise to explore and exploit the mineral resources

of the oceans. A portion of the wealth derived from this effort will be dedicated to international development activities for the benefit of the third world. The developing nations, on the other hand, not for the same reasons in all cases, seek the establishment of an international regime under which an international authority which they control will actively engage in seabed mining. Presumably, the United States and other developed nations would furnish the money. Private enterprise might or might not be permitted to engage in mining, but in any event only as a licensee of this international authority. The likelihood that these opposing philosophies can be reconciled in one more session of the Law of the Sea conference next March is small indeed, assuming that they can be reconciled at all.

In order for the United States to achieve a Law of the Sea treaty next year, we would have to make such fundamental concessions that I seriously doubt the treaty would ever be ratified. The United States delegates to the Law of the Sea conference have consistently stated on the record that the United States will not sign a treaty that does not satisfy our basic objectives in terms of our national security and our resource interests. Taking those statements at face value, as I think we must, I cannot see how a treaty can possibly emerge that we can accept unless the developing nations utterly abandon their position. The more realistic appraisal

of the timing of the Law of the Sea conference is that several more very difficult negotiating sessions lie ahead before a consensus on all issues will be achieved. We cannot afford to wait to take action to protect our coastal fisheries.

Much has been made of the fact that the last session of the Law of the Sea conference produced what is called a Single Negotiating Text. We are given to believe that this text is virtually a final treaty. The facts are to the contrary. This text was developed by a small group of experts and was presented to the conference on the last day of the session. It is simply the opinion of an informal group as to where they think the conference is headed. It will undoubtedly be used in the next session of the Law of the Sea conference as the point of departure for further debate. It does not set forth the provisions for a seabed regime which the United States can support, nor does it sufficiently guarantee our security interests. The introduction of the so-called Single Negotiating Text was equivalent to dropping a bill in the hopper. A great deal of time may have gone into the drafting of the bill, but the entire process of Committee deliberations and mark-up yet remains.

In summary, Mr. Chairman, enactment of this legislation will not disrupt the Law of the Sea conference. There are simply too many other vital issues of concern to the rest of the world

as well as the United States. The conference will go on, I am afraid, for some time, and time is of the essence. I urge you to grant a rule as requested by the Committee on Merchant Marine and Fisheries.

TALKING POINTS
ON ENERGY FOR
REPUBLICAN LEADERSHIP MEETING

1. The Senate may consider the Stevenson natural gas amendment today to either table it or vote on passage. As you know, I am opposed to this amendment as it would roll back the price of new oil to $9 per barrel and phase out old oil over 5 years.

2. Such a bill would only increase our dependency on foreign oil. While I am willing to compromise on oil prices, natural gas legislation is not the proper vehicle in which to do it. In addition, this bill would extend price controls into the intrastate market which I am unalterably opposed to.

3. The Conference meeting on S.622/H.R. 7014 will begin today. It is my understanding that the oil pricing provisions will be considered last. Since I have little confidence that an acceptable bill will be reported out, we are facing a veto situation.

4. I would like to solicit your views as to possible strategy that should be taken and discuss any actions that I may take at this time.

5. Frank, do you have anything to add?

THE WHITE HOUSE

WASHINGTON

October 6, 1975

MEETING WITH HOUSE REPUBLICAN PROPONENTS OF
THE 200-MILE LIMIT BILL
Tuesday, October 7, 1975
10:30-11:00 a.m. (30 minutes)
The Cabinet Room

From: Max L. Friedersdorf M.L.F.

I. PURPOSE

To respond to requests of six House Republicans for a meeting with the President on the 200-Mile Limit Bill.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

1. The House is scheduled to consider today, Tuesday, October 7, H.R. 200, the Marine Fisheries Conservation Act (200-Mile Limit Bill). The Senate Commerce Committee has also reported the bill.

2. The Department of State strongly opposes enactment of the bill and will recommend a veto. State maintains bilateral negotiations to limit the foreign catch off U.S. coasts are proving productive. State further argues that successful negotiation of a multilateral treaty will provide better protection than the unilateral action proposed in H.R. 200. State believes enactment of the bill would risk failure of both bilateral agreements and negotiation of a comprehensive Law of the Sea Treaty.

3. Coastal Congressmen strongly support the bill and believe that a multilateral agreement is at least a year away.

B. Participants: See Tab A

C. Press Plan:

Announce meeting to the Press; White House photographers only.

III. TALKING POINTS (See Tab B)

1. The House will consider H.R. 200 today and I am aware that the Members here today strongly support the legislation.

2. Perhaps we could hear from those Members who wish to be heard, and then Brent Scowcroft could express some of the reservations the Department of State has with the bill.

3. I believe we all have one goal in mind, and that is the protection and prosperity of the American fishermen.

4. I hope we can work together to attain that objective.

5. Perhaps, Ed Forsythe, the ranking Member of the Subcommittee, could start the discussion, Ed.....

PARTICIPANTS

The President
Secretary Simon
House

Don Clausen
Bill Cohen
David Emery
Edwin Forsythe
Joel Pritchard
Don Young

Staff

Donald Rumsfeld
Jack Marsh
Max Friedersdorf
Bob Wolthuis
Vern Loen
General Scowcroft
Alan Greenspan
Philip Buchen
Ron Nessen
Jim Cannon
Dick Cheney

SECRET

BACKGROUND MATERIAL AND TALKING POINTS ON 200-MILE INTERIM FISHERIES LEGISLATION

I. BACKGROUND

The relatively slow progress in the Third United Nations Conference on the Law of the Sea (LOS) has increased the pressures in the Congress (as well as in a number of foreign states) to unilaterally declare a 200-mile fisheries zone prior to the conclusion of a comprehensive multilateral LOS treaty. For the past three years, the Executive Branch has been able to convince Congress that a unilateral extension of our national fisheries jurisdiction would be damaging to the overall objectives we seek in a comprehensive oceans law treaty.

The Administration argued last year that unilateral action on fisheries should be avoided because a successful conclusion of the LOS negotiations could be foreseen before the end of 1975. Even so, the Senate last December passed the Magnuson 200-mile fisheries bill by a wide margin; time did not permit hearings in the House and the measure did not reach the floor before the end of the session.

Now, with a timetable for conclusion of the LOS Conference no longer firm, the Congress is ready to move with unilateral action, citing the need to protect our coastal fisheries from depletion by foreign overfishing, especially by Japan and the Soviet Union.

Domestic U.S. fisheries interests are split regarding the passage of 200-mile fisheries legislation. Coastal fishermen and their Congressional supporters, particularly from New England and the Northwest coastal states, including Alaska, blame foreign fishermen for the depletion of coastal stocks, and are demanding immediate U.S. action to exclude foreign fishing within 200 miles of our coasts. On the other hand, tuna, shrimp and salmon interests oppose the 200-mile legislation, believing that passage would lead to their exclusion from the 200-mile zones off other state's coasts, particularly in South America. Although it is widely recognized that U.S. distant water fisheries will be badly hurt by U.S. unilateral action, the Congress in general believes this cost is justified by the need to gain control over the fisheries within 200 miles of this country. A number of House and Senate members also believe that unilateral U.S. fisheries action will spur the LOS negotiations on to successful conclusion.

The United States has avoided separating one aspect of the Law of the Sea negotiations such as fisheries from the overall negotiations, thus maintaining the linkage between satisfactory resolution of all major oceans issues (freedom of navigation and the strategic implications thereof, marine pollution, scientific research, peaceful dispute resolution, and marine resources including fisheries) if we are to agree to a Law of the Sea treaty. For this reason, in late August, you took a position on interim fisheries legislation which both maintains the longstanding U.S. position against unilateral claims to jurisdiction on the high seas and provides for the necessary initiatives, both multilaterally and bilaterally, to protect the fisheries stocks off our coasts. This position was publically underscored by you at Newport and Seattle, and by Secretary Kissinger in his August 1975 speech to the American Bar Association in Montreal.

Opposing Views Within the Administration. Your decision to continue to seek a multilateral solution to our fisheries problems while at the same time supporting interim fisheries improvements through bilateral negotiations was conveyed in my memorandum of August 22 to the concerned departments. I would note that Secretary Simon was on record at the time as not favoring such an approach to the fisheries problem and continues to believe that the Administration should not oppose the 200-mile legislation now before the Congress. He is supported in this view by Bill Seidman.

Congressional Status

-- House. The 200-mile fisheries bill has attracted over two hundred co-sponsors in the House, particularly from the coastal states. On July 31, the Merchant Marine and Fisheries Committee concluded extensive hearings on the measure, voting 36 to 3 to report the legislation. Subsequent Administration efforts to have the legislation sequentially referred to the International Relations Committee for consideration of the foreign policy implications of enactment failed. On September 24, however, the International Relations Committee did hold oversight hearings and agreed to file a report to the House outlining the negative foreign policy impact. Although this report has not yet been prepared, the Rules Committee has gone ahead and granted a rule bringing the bill to a vote in the full House either Wednesday, October 8 or Thursday, October 9. The measure is expected to pass by an overwhelming majority.

-- Senate. The Commerce Committee on September 25 unanimously reported out a fisheries bill similar to the House version. Action on a request for sequential referral to the Foreign Relations Committee is still pending but is expected to be approved. We would hope to persuade the Committee to issue a negative report on the bill. Although Senate passage of the legislation is probably assured, we have hopes of building a strong, veto-sustaining opposing vote.

-- Strategy. In light of your decision to oppose unilateral fisheries action, the Administration is mounting vigorous opposition to the bill. To make the Administration's position more credible, the NSC Under Secretaries Committee, working with the agencies concerned, is currently preparing a substantive package of interim measures to protect American fisheries. These measures, because of the overwhelming consensus in the Law of the Sea negotiations favoring establishment by states of 200-mile economic zones covering fisheries, would include direct negotiations with the nations fishing off our coasts to attain the LOS objectives on fisheries in advance of treaty enactment. In this regard, we have already been extremely successful in bilateral negotiations with Japan, Poland and the Soviet Union to reduce their catch quotas off our coasts, and regionally in the International Commission for the Northwest Atlantic Fisheries, the body which regulates foreign fisheries off the East coast.

While the momentum is strong in both Houses for passage in this session of legislation extending U.S. fisheries jurisdiction from 12 to 200 miles, your purpose in this meeting with the leadership will be to:

-- underscore the harmful effect that such legislation would have on the achievement of our overall oceans policy objectives in the Law of the Sea forum.

II. TALKING POINTS

Introductory

1. I am very much aware of the concern in the Congress over depletion of our coastal fisheries stocks by foreign overfishing and the desire to act unilaterally to protect these fisheries now, in the absence of a comprehensive Law of the Sea treaty.

2. I share your concerns, but believe that unilateral action by the United States in this area would be harmful to our overall oceans policy interests, including fisheries.

3. I strongly believe that the ongoing Law of the Sea negotiations offer the best hope for protecting all our major oceans policy interests -- freedom of navigation, marine pollution, scientific research, and marine resources, including fisheries.

4. We have always avoided separating one aspect of the Law of the Sea negotiations such as fisheries from the overall negotiations, thus maintaining the linkage between satisfactory resolution of all our oceans policy objectives if we are to agree to a Law of the Sea treaty.

5. I understand the very great need to protect our fisheries from unwarranted foreign intrusion while work on an international treaty continues.

6. For this reason, I have taken a position on the interim fisheries legislation now before the Congress which both maintains the longstanding U.S. position against unilateral claims to jurisdiction on the high seas and provides for the necessary initiatives, both bilaterally and multilaterally, to protect the fisheries stocks off our coasts. I made this position very plain recently in interviews at Newport and Seattle. Secretary Kissinger did the same in his speech at the American Bar Association convention in Montreal.

7. We have already had success in negotiating with the nations fishing off our coasts to obtain catch reductions. Japan, Poland and the Soviet Union are cases in point.

8. More recently, I sent a personal message to the participants in the International Commission for the Northwest Atlantic Fisheries calling for increased conservation and protection of threatened fish stocks off our East coast. I am pleased that the Conference agreed to substantial catch r eductions for the coming fishing season. We will follow through to insure that enforcement is strictly carried out. I intend similar strong initiatives to safeguard our fisheries interests.

9. I believe that unilateral fisheries action by the United States would be more harmful than beneficial, and that our ongoing initiatives with nations fishing off our coasts serves the same objective without jeopardizing our overall interests in the LOS negotiations.

Possible Effects of a Unilateral Claim to 200-Mile Fisheries Jurisdiction

1. I want to review with you the possible harmful effects of U.S. unilateral fisheries legislation:

-- A unilateral claim at this time could lead to a confrontation with the Soviet Union, Japan and other fishing nations. The Soviet Union has already indicated to us that they will not recognize a U.S. claim to 200 miles outside a Law of the Sea treaty.

-- Unilateral action at this time would violate our existing treaty obligations and customary international law. Our seizures of foreign fishing vessels would be viewed as a violation of the Convention on the High Seas, in the same way as we view Ecuadorian seizures of U.S. tuna boats beyond 12 miles from the coast of Ecuador.

-- Unilateral action would be certain to trigger unilateral claims by other states. Iceland and Mexico have already declared their intentions to declare 200-mile fisheries zones. Canada, Norway, Denmark, the UK, Kenya, Tanzania and other coastal states are all under intense pressure to follow suit. Widespread national claims would severely complicate our efforts to achieve broad international agreement on fisheries in the LOS negotiations -- and this, in turn, would jeopardize other important U.S. oceans interests.

-- Unilateral action would undermine the U.S. position in the LOS negotiations, where we have urged a careful balance among navigation, security, scientific research, marine pollution, and resource interests in the 200-mile economic zone.

Advantages of a Comprehensive LOS Treaty

1. The negotiations in the LOS Conference have shown us that U.S. oceans policy interests are best served by a comprehensive international agreement rather than a patchwork of unilateral arrangements.

2. I would like to review with you a number of points which underline the importance of an international treaty on oceans policy. I would underscore that many of these are of a classified and sensitive nature because of the interests of the many other nations involved, and because of the active nature of the current UN negotiations.

   -- US navigation interests in ensuring freedom of navigation through and over straits used for international navigation can be protected under a comprehensive LOS treaty.

   -- U.S. interests in conflict avoidance and stability on the oceans will be far better served by an international treaty.

   -- Although relatively unnoticed, the LOS negotiations are providing an opportunity for the solution of bilateral U.S. oceans disputes. Examples include the archipelago disputes with Indonesia and the Bahamas, the Arctic pollution problem with the Canadians, and the salmon problem with the Japanese.

   -- The U.S. will substantially benefit from the 200-mile economic zone. This increased jurisdiction over resources off our coast will be more easily accepted with less cost to our bilateral relations with the Soviets, Japanese and others, and our own distant water fishing interests if we have a treaty.

   -- The multilateral negotiation leading to a global convention provides an opportunity for many countries to overcome strong internal political problems in accepting a reasonable oceans regime. For example, a widely accepted treaty adopting a 200-mile economic zone is highly likely to permit eventual acquiescence in the economic zone and abandonment of the 200-mile territorial sea claims of countries such as Ecuador and Chile.

-- The marine environment will be better protected with a treaty than with a pattern of unilateral claims.

-- The negotiations have been helpful in coordinating oceans policy among the major industrialized states and particularly in enabling close cooperation with the Soviets on oceans policy.

3. These are only some of the reasons supporting a good comprehensive treaty on the law of the sea as the best strategy for U.S. oceans policy. In short, I believe our present policy is correct and we should push ahead on this front without complicating our overall position with unilateral action on such oceans policy issues as fisheries.

Supplementary Talking Point

Agreement was reached in the recent meeting of the International Commission for the Northwest Atlantic Fisheries (ICNAF) to impose a reduction in catch limit of 23%. This has resulted in a total reduction over the past three year period of 43%. Actual tonnage reduction over the three-year period has been from 1.1 million metric tons to .650 million metric tons. At the current catch level, fishery stocks should gradually be replaced to an acceptable level over a period of 5 to 7 years. During this same three-year period, the US share of the permitted catch has increased from 211,000 metric tons to 230,000 metric tons.

STATEMENT OF THE HONORABLE EDWIN B. FORSYTHE (R.-N.J.) BEFORE THE HOUSE RULES COMMITTEE, September 30, 1975, on H.R. 200, THE MARINE FISHERIES CONSERVATION ACT OF 1975.

Mr. Chairman and Members of the Committee, I appreciate the opportunity to testify this morning in support of H.R. 200, the Marine Fisheries Conservation Act of 1975. At the outset, let me assure you that I am not going to repeat the detailed explanation of this bill previously given by my colleage, Congressman Leggett. I, of course, support his statement, and I endorse the views expressed by Congressman Studds, the original author of this legislation. There are several points, however, that I would like to stress.

The overriding issue posed by the opponents of this legislation, principally the Department of State, relates to its timeliness and potential impact upon the Law of the Sea conference which will resume formal deliberations in New York City next March. It is urged that enactment of H.R. 200 would disrupt the conference to such an extent that the chances for a successful Law of the Sea treaty would be substantially diminished. In effect, the rest of the world would simply pick up their marbles and go home. This extremely simplistic view of the complex negotiations taking place in the Law of the Sea conference is not only an insult to our intelligence but is simply not supported by the facts.

Coastal state jurisdiction over fishery resources within 200 miles of their shores and management of migratory and anadromous species which inhabit ocean waters beyond 200 miles from shore during part or all of their life cycle, the subject of H.R. 200, are but two of the many complex issues being debated in the Law of the Sea Conference. While coastal state control over fishery resources, as well as the mineral deposits found within 200 miles of shore, have been generally conceded within the concept of an economic zone, other very basic issues are only at the threshhold stage of serious debate. These include the international rights and obligations of coastal states with respect to the sharing of resources, both living and non-living, within the economic zone, the nature and powers of the international regime which will regulate seabed mining beyond the economic zone, the right of transit through international straits and over-flight, scientific research and marine pollution.

Undoubtedly, the most controversial of these issues is the question of the regime for the seabeds. It was, after all, the proppect of wealth derived from mining the seabed for the benefit of developing nations that triggered this third Law of the Sea conference. The resolution which spawned this effort in the late 1950's spoke in terms of the mineral resources of the oceans beyond national jurisdiction as the common heritage of mankind.

While the full potential of the seabeds as a source of mineral wealth will not be realized for decades, the rules and regulations governing access to mineral deposits on the seabed is the crux of the Law of the Sea conference. It is an issue which the developing nations of the world, which dominate the Law of the Sea conference in terms of numerical strength, have committed themselves to settling on terms which will insure that they and not the industrialized nations of the world will be the chief beneficiaries.

In order to accept the State Department's theory that enactment of H.R. 200 will disrupt the Law of the Sea conference, we must assume that the developing nations of the world are prepared to abandon their quest for an international treaty establishing the regime for the deep seabeds. There is simply no evidence whatsoever to support that assumption. All the evidence is to the contrary. The general consensus for a 200-mile economic zone virtually guarantees to the developing nations full control of their coastal resources. Without a treaty, however, the developing nations have no hope of deriving any ultimate benefit from the rapidly increasing technology of seabed mining. It is the developed nations of the world, and principally the United States, which would benefit most if indeed the rest of the world picked up their marbles and went home.without a new Law of the Sea treaty. American corporations and those of Japan and a few

other countries under national legislation are prepared to begin commercial seabed mining almost immediately. Lacking the hundreds of millions of dollars needed to begin seabed mining, the developing nations simply have no chance whatsoever to share in this wealth without a treaty that in some fashion earmarks a portion of seabed revenues for their benefit. The United States has committed itself to such a treaty, provided it contains reasonable terms for commercial participation in seabed mining.

In essence, what I am saying is that the developing nations have everything to gain and very little to lose by persevering in the Law of the Sea conference. In terms of access, to the mineral resources of the seabed, it is, I am afraid, the United States that ultimately stands to lose in this negotiating process. It is absurd to suggest that the majority of nations will walk out of the Law of the Sea conference because the United States has chosen to protect its coastal and other fishery resources.

The corollary argument offered by the State Department against enactment of H.R. 200 is to the effect that since there is a general consensus for coastal state control of fishery resources within a 200-mile economic zone, the legislation is simply unnecessary. That argument might have some merit if we had any reason to expect a treaty within the next year. The destruction

of our fishery resources under existing ineffectual arrangements is proceeding at a frightening rate. Foreign fishing pressures are growing daily. The Soviet Union agrees to abstain from fishing for species which are vitally important to the American fisherman only after they have been decimated. Thus, we were able to achieve an agreement to substantially reduce foreign quotas on yellow-tail flounder after the Russians and other European fishing nations had virtually destroyed this, our most valuable coastal species.

What are the prospects of securing adoption of a treaty which the United States can ratify? I suggest that the prospect is not good. While I have no doubt that given their overwhelming numerical superiority the developing nations could ram a treaty through the conference next March, the drafting of a treaty which the United States and the other developed nations of the world can sign and ratify is a different matter altogether.

I have already pointed out the fact that the seabed and the nature of the international regime to control ocean mining is a critical issue in these deliberations. It is also an issue upon which the negotiating positions of the United States and the developing nations are diametrically opposed. Our position essentially is that the seabed regime should rely basically on private enterprise to explore and exploit the mineral resources

of the oceans. A portion of the wealth derived from this effort will be dedicated to international development activities for the benefit of the third world. The developing nations, on the other hand, not for the same reasons in all cases, seek the establishment of an international regime under which an international authority which they control will actively engage in seabed mining. Presumably, the United States and other developed nations would furnish the money. Private enterprise might or might not be permitted to engage in mining, but in any event only as a licensee of this international authority. The likelihood that these opposing philosophies can be reconciled in one more session of the Law of the Sea conference next March is small indeed, assuming that they can be reconciled at all.

In order for the United States to achieve a Law of the Sea treaty next year, we would have to make such fundamental concessions that I seriously doubt the treaty would ever be ratified. The United States delegates to the Law of the Sea conference have consistently stated on the record that the United States will not sign a treaty that does not satisfy our basic objectives in terms of our national security and our resource interests. Taking those statements at face value, as I think we must, I cannot see how a treaty can possibly emerge that we can accept unless the developing nations utterly abandon their position. The more realistic appraisal

of the timing of the Law of the Sea conference is that several more very difficult negotiating sessions lie ahead before a consensus on all issues will be achieved. We cannot afford to wait to take action to protect our coastal fisheries.

Much has been made of the fact that the last session of the Law of the Sea conference produced what is called a Single Negotiating Text. We are given to believe that this text is virtually a final treaty. The facts are to the contrary. This text was developed by a small group of experts and was presented to the conference on the last day of the session. It is simply the opinion of an informal group as to where they think the conference is headed. It will undoubtedly be used in the next session of the Law of the Sea conference as the point of departure for further debate. It does not set forth the provisions for a seabed regime which the United States can support, nor does it sufficiently guarantee our security interests. The introduction of the so-called Single Negotiating Text was equivalent to dropping a bill in the hopper. A great deal of time may have gone into the drafting of the bill, but the entire process of Committee deliberations and mark-up yet remains.

In summary, Mr. Chairman, enactment of this legislation will not disrupt the Law of the Sea conference. There are simply too many other vital issues of concern to the rest of the world

as well as the United States. The conference will go on, I am afraid, for some time, and time is of the essence. I urge you to grant a rule as requested by the Committee on Merchant Marine and Fisheries.