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THE WHITE HOUSE

WASHINGTON

May 4, 1976

MEMORANDUM FOR PHILIP BUCHEN  
JOHN O. MARSH  
MAX FRIEDERSDORF  
JAMES M. CANNON

FROM: L. WILLIAM SEIDMAN

SUBJECT: Arab Boycott

A memorandum for the President on the Arab Boycott issue is attached.

I would appreciate your comments and recommendations on this memorandum by 3:00 p.m. Wednesday, May 5, 1976.

MEMORANDUM FOR: L. WILLIAM SEIDMAN  
FROM: JAMES CANNON  
SUBJECT: Arab Boycott



I support Option 1.

THE WHITE HOUSE

WASHINGTON

May 5, 1976

MEMORANDUM FOR: JIM CANNON  
FROM: PAUL LEACH *Paul*  
SUBJECT: ARAB BOYCOTT

*Option 1*  
*JL*

The attached memorandum deals with the general issue of whether or not to support any new proposed anti-Arab Boycott legislation. The specific issue involves whether or not to support a "compromise" on the "Stevenson Bill" which would have three main effects:

1. It would require disclosure of boycott request compliance reports submitted to the Commerce Department by U.S. firms, on the grounds that the Export Administration Act declares it to be the policy of the U.S. to oppose boycotts;
2. It would bar religious, racial, ethnic, or sex discrimination by U.S. exporters;
3. It would prohibit refusals by U.S. firms to do business with other firms pursuant to foreign boycott requests.

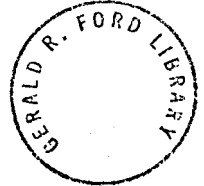
I am not particularly well-versed on this matter and the decision memorandum is not fully illuminating. However, based on what I know and can glean from this memorandum, I would support Option 1, i.e., oppose any legislation.



~~CONFIDENTIAL~~

THE WHITE HOUSE  
WASHINGTON

DECLASSIFIED  
E.O. 12958, Sec. 3.5  
NSC Memo, 11/24/98, State Dept. Guidelines  
By W/H/M, NARA, Date 5/15/00



MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT  
L. WILLIAM SEIDMAN

SUBJECT: Arab Boycott and Related Discrimination

The decisions announced in your statement of November 20, 1975 on the related issues of the Arab boycott and religious discrimination have been implemented. The Federal Reserve Board has issued a letter to member banks outlining their obligations with respect to Arab boycott and discrimination measures. The Justice Department has filed a civil anti-trust suit charging the Bechtel Corporation with refusing to deal with any U.S. sub-contractors on the Arab League boycott list and requiring its sub-contractors, in turn, not to deal with U.S. firms on the boycott list. The Department of Commerce has decided to release publicly letters charging United States firms with a violation of its regulations pertaining to the Arab boycott. The Department of Commerce has also ceased circulating tender offers requesting bids on projects from American firms if they contain a request to comply with the boycott.

In addition, several state governments have adopted laws on the boycott issue, some of which go well beyond the policy guidelines approved by you. We have also engaged in extensive discussions with Arab Governments and Israel on the entire question, including numerous exchanges through diplomatic channels and during Secretary Simon's March trip to the Middle East. Secretary Simon in his discussions with both Arab and Israeli leaders distinguished between the boycott and religious discrimination. He stated clearly that you desired an end to the boycott and that you felt that the only effective, peaceful way to end the boycott was to resolve the Arab-Israeli conflict. He also stated that we would oppose legislation directed to the boycott.

The cumulative effect of these actions has been mixed. The Arab Governments, as well as American businesses, appear to understand and accept the anti-discrimination aspect of our policy. Saudi Arabia has taken steps to distinguish between religious discrimination and its political attitude toward Israel, and to ease somewhat the process of obtaining visas for persons of the Jewish faith, even though some problems

~~CONFIDENTIAL~~



remain.

There have also been several specific indications of greater flexibility in the application of boycott regulations and some firms have been or soon will be removed from the list. Yet, there has also been some disruption of United States commercial dealings with the Arab world, primarily due to reluctance by American firms to risk possible legal action.

Arab Governments, to varying degrees, have resented our boycott related actions, although thus far they are generally cooperating in quiet, gradual efforts to minimize difficulties. Despite this quiet cooperation, high-level Arab leaders (particularly in Saudi Arabia and Kuwait) indicate they are prepared to retaliate commercially against United States business if we continue to apply what they view as unwarranted public pressure.

This memorandum seeks your guidance on the Administration's position on several pieces of pending legislation dealing with various aspects of the boycott/discrimination issue, all of which would, to various degrees, move the United States into a considerably tougher anti-boycott position than embodied in your November 20 statement. A summary of all the pending bills is attached at Tab A.

#### Stevenson Bill

The bill requiring the urgent formulation of an Administration position is an amendment to the Export Administration Act proposed by Senators Stevenson and Williams and a similar bill introduced in the House by Representative Koch.

The proposed legislation would have three main effects:

(1) It would require disclosure of boycott request compliance reports submitted to the Commerce Department by U.S. firms, on the grounds that the Export Administration Act declares it to be the policy of the U.S. to oppose boycotts.

(2) It would bar religious, racial, ethnic, or sex discrimination by U.S. exporters.

(3) It would prohibit refusals by U.S. firms to do business with other firms pursuant to foreign boycott requests.

The provisions on disclosure of compliance with Arab boycott requests could have some negative effect on consumer-oriented businesses in this country, causing them either to avoid the Arab market completely or to go to third country affiliates in order to avoid a possible counterboycott.



The provisions barring discrimination are identical for all intents and purposes to the measures announced by you on November 20.

The provisions of the bill which prohibit U.S. firms from refusing to do business with other U.S. firms on the boycott list are unclear as to their intent and effect. As presently drafted these provisions are more far reaching than the Justice Department conception of the applicability of our anti-trust laws (as set forth in the Bechtel suit), and if enforced strictly would deal a serious blow to United States business with the Arab world. Even large multinational corporations now heavily engaged in the Arab world would probably shift procurement to third country affiliated or unrelated firms in order to avoid possible problems. Many smaller companies would probably terminate business with the Arab world.

Given the policy which we have followed since your November 20 statement, the Arabs will tend to view Administration acceptance of any additional legislation on the Arab boycott as a shift in the Administration's position in response to the Israeli lobby.

There has been considerable interagency review of how best to deal with the Stevenson-Williams-Koch legislation. A Working Group, chaired by the NSC staff discussed the issue at length and prepared a paper which was discussed by the EPB Executive Committee on April 30.

There is agreement that the Administration should seek to limit additional anti-boycott legislation to the absolute minimum, in accordance with your policy decision of last November which remains the best approach under present circumstances. However, there is also agreement that it may be desirable to accept a compromise with Congress in the form of a suitably amended Stevenson-Williams-Koch bill if this will avoid passage of worse legislation and if the only other alternative is a Presidential veto.

### Options

Two options for dealing with the Stevenson-Williams-Koch bill are presented for your consideration.

Option 1: Maintain the position outlined in your November 20 statement and strongly oppose all additional legislation as unnecessary and counterproductive, but do not indicate that you would necessarily veto any additional legislation thus leaving open the possibility of compromise later if sufficient opposition to the legislation does not develop.



Advantages:

- o This would be fully consistent with your statement of November 20 and the position maintained by the Administration since then that no additional legislation is needed.
- o If efforts to block new legislation succeeded, it would retain Arab confidence of the Administration as well as encouraging them to ease the practical application of the boycott. It would avoid the serious danger of an Arab backlash (similar to the Soviet backlash over Jackson-Vanik) because they believed we were applying excessive public pressure.
- o It would minimize the loss of business by U.S. firms to other countries due to U.S. anti-boycott regulations.

If efforts to block new legislation failed, an opportunity would remain to choose between trying to obtain an acceptable compromise or either vetoing or acquiescing to unacceptable legislation.

Disadvantages:

- o This approach could produce a confrontation between the Administration and Congress and Jewish groups given the strong pressures which exist for some additional action.
- o It could also result in Congress pressing stronger legislation and rejecting last-minute efforts at compromise, than would have been the case were the Administration to seek a compromise from the outset.
- o This approach could place the President in the position of having either to acquiesce to the legislation or veto the bill.

Option 2: Modify your opposition to any additional legislation by beginning work immediately with key members of Congress to reach agreement on an amended bill.

Two approaches to an amended bill have been considered. Both approaches would accept the sections of the bill on anti-discrimination and disclosure and seek clear agreement from key Members of Congress and Jewish leaders that there will be no additional legislative action.



Approach A: Attempt to delete the section of the bill on refusal to deal in exchange for agreement to the idea of public disclosure of boycott request compliance reports, either by administrative action or by enactment of that section of the bill.

A public statement by the Administration supporting explicitly the efforts of the Justice Department to apply the Sherman Act to refusal to deal cases should be considered as a possible concession to obtain deletion of that section from the bill.

Approach B: Attempt to amend the section of the bill on refusal to deal by substituting language proposed by Justice which would substantially narrow its application and bring it into line with Justice's present concept of the applicability of the Sherman Act to refusal to deal actions by U.S. firms pursuant to the Arab boycott.

Advantages:

- o Seeking a compromise from the outset through consultations with key Members of Congress and Jewish leaders would avoid a confrontation with them and could ultimately make an acceptable compromise easier to achieve.
- o Enactment of Stevenson's legislation should substantially undercut the prospects for more harmful legislation.

The Administration could provide Congress with the precise changes it would like in the bills before they move so far down the legislative path as to make changes difficult.

Disadvantages:

- o This would appear as a retreat from the Administration position held since November 20. Once the Administration signalled a willingness to compromise, Members of Congress and others who support strong anti-boycott legislation may assume that they are in a strong position and do not need to accept a compromise.
- o Some legislation would result which, depending on its nature, could create serious difficulties for U.S. foreign policy and economic interests in the Arab world and raise additional barriers to U.S. firms doing business in Arab countries.





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- o This would appear as a retreat from the Administration position held since November 20. Once the Administration signalled a willingness to compromise, Members of Congress and others who support strong anti-boycott legislation may assume that they are in a strong position and do not need to accept a compromise.
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Decision

Option 1 \_\_\_\_\_ Maintain the position outlined in your November 20 statement and strongly oppose all additional legislation as unnecessary and counterproductive, but do not indicate that you would necessarily veto any additional legislation thus leaving open the possibility of compromise later if sufficient opposition to the legislation does not develop.

Supported by:

Option 2 \_\_\_\_\_ Modify your opposition to any additional legislation by beginning work immediately with key members of Congress to reach agreement on an amended bill.

Supported by:

## MAJOR ANTI-BOYCOTT LEGISLATION

SENATE BILLS1. Stevenson-Williams Bill (S. 953)Title I

- \* Would require that U.S. firms report to the Department of Commerce on whether they intend to comply and whether they have complied with boycott requests which they receive.
- \* Would require that boycott reports hereafter filed with the Department of Commerce be made public, except that commercial information regarding the value, kind, and quantity of goods involved in any reported transaction may be kept confidential.
- \* Would prohibit U.S. firms from furnishing, pursuant to a boycott request, any information regarding the race, religion, or nationality of its employees, shareholders, officers, or directors, or the employees, shareholders, officers, or directors of any other U.S. company.
- \* Would prohibit U.S. firms from refusing to do business with other U.S. firms pursuant to a boycott request.
- \* Maximum administrative penalties applicable under the Act would be increased from \$1,000 to \$10,000. In addition, would make it clear that export privileges may be suspended for a violation of the anti-boycott provisions of the Act.
- \* Would require public disclosure of Commerce Department charging or warning letters against U.S. companies for failing to comply with anti-boycott provisions of the Act.
- \* Would require that the Commerce Department provide the State Department with summaries of the information contained in boycott reports for appropriate action by the State Department.



- \* Would require that the semi-annual reports to Congress under the Export Administration Act include an accounting of what action the Executive Branch has taken to effect the anti-boycott policy of the Act.
- \* Would clarify the Act to leave no doubt that it applies to banks, other financial institutions, insurers, freight forwarders, and shipping companies.

## Title II

- \* Would amend section 13(d) of the Securities Exchange Act to expand the disclosure requirements imposed thereunder on those who acquire the beneficial ownership of more than 5% of any equity security by requiring disclosure of the following:
  - (a) The residence, nationality, and nature of the beneficial ownership of the person acquiring the securities. (The latter would include, for example, whether the beneficial owner has the right to direct the voting of the securities, the receipt of dividends, or the proceeds of sale);
  - (b) The background and nationality of each associate of the purchaser who has a right to acquire additional shares of the insurer.
- \* Would impose new disclosure requirements as follows:

Every holder of record, of, and any other person having an interest in, 2% or more of a class of any equity security, would be required to file reports as prescribed by the SEC at such time as the SEC may require. The SEC would have authority to make such exceptions to the above as are not inconsistent with the public interest or the protection of investors.

The 2% threshold is to be reduced to 1% on September 1, 1976 and to 1/2 of 1% on September 1, 1977. However, the SEC may extend or shorten such periods if the SEC, after public comment, concludes that such change is not inconsistent with the public interest or the protection of investors.



The bill was originally reported out of the Senate Banking and Currency Committee on February 6, 1976. However, it was decided to defer full Senate action until legislation to provide a simple extension of the Export Administration Act was considered, at which time the two pieces of legislation would be combined. This did, in fact, occur at the subcommittee level on April 27 when the extension bill, S. 3084, was favorably reported to the full Committee with the Stevenson-Williams bill incorporated in it. Full Committee mark-up and final reporting of the legislation is expected Thursday, April 29 or Friday, April 30.

2. Ribicoff Bill (S. 3138)

The bill would deny tax benefits on foreign source income to taxpayers who participate in or cooperate with the boycott of Israel. These benefits include the foreign tax credit and tax deferral, and DISC. The denial would apply to that foreign source income derived through direct or indirect dealings with boycotting countries.

The bill is pending before the full Senate Finance Committee where no action is currently scheduled.



HOUSE BILLS

It is anticipated that those House bills pending before the International Relations Subcommittee on International Trade and Commerce will be considered as amendments to legislation to extend the Export Administration Act scheduled to come before the full committee some time in June.

## 1. Bingham Bill (H. R. 4967)

The bill would prohibit US companies from answering or complying in any way with boycott requests.



The bill is pending before the IRC Subcommittee on International Trade and Commerce.

## 2. Drinan Bill (H. R. 5913, 5997, 6431, 6661 and others)

The bill would make it unlawful for any US exporter to engage in such practices as:

--furnishing information to a foreign agent concerning the race, religion or national origin of its employees or the employees of firms with which it does business;

--furnishing information on business dealings with a boycotted country or firm; or refusing, because of dealings with a foreign agent, to do business with a boycotted country or firm.

The bill would require the Secretary of Commerce to revoke the export license of any exporter violating these provisions.

The legislation is pending before the IRC Subcommittee on International Trade and Commerce.

## 3. Koch Bill (H. R. 11464)

This bill is almost identical to the Stevenson-Williams Bill and has been dually referred to the House International Relations Committee and Interstate and Foreign Commerce Committee.

## 4. Holtzman Bill (H. R. 5246 and others)(almost 100 cosponsors)

The bill would prohibit any business enterprise from using economic coercion to induce another not to do business with, employ or otherwise discriminate against (on the basis of race, religion, etc.) any US or foreign person in respect to its activities in the United States. The bill would also make it unlawful to yield to such coercion or take discriminatory action to prevent the coercion from ever occurring.

The bill is pending before the Judiciary Subcommittee on Monopolies.

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THE WHITE HOUSE  
WASHINGTON

May 10, 1976

TO: JIM CANNON

FROM: JOHN O. MARSHALL

For Direct Reply

For Draft Response

For Your Information

Please Advise



*Commerce*

May 10, 1976

Dear Jake:

Thank you for your letter of May 6 and the attached clipping from the May 3 issue of Transport Topics.

I fully understand how strongly you feel on the issue of deregulation of the trucking industry.

I shall see to it that the comments contained in your letter and the Transport Topics article are called to the attention of the appropriate people here at the White House.

Thanks again for taking the time to give me the benefit of your very strong views on this matter.

With warmest personal regards, I remain,

Sincerely,

John O. Marsh, Jr.  
Counsellor to the President



Mr. R. R. Smith  
Chairman of the Board  
Smith's Transfer Corporation  
P. O. Box 1000  
Staunton, Virginia 24401  
JOM:RAR:cb

MAY 8 1976



**SMITH'S TRANSFER CORPORATION**

General Office: P.O. Box 1000 Staunton, Virginia 24401 Area Code 703 886-6231

**R. R. SMITH**  
CHAIRMAN OF THE BOARD

May 6, 1976

Mr. John O. Marsh, Jr.  
Counsellor to the President  
The White House  
Washington, D. C. 20500



Dear Jack:

Enclosed find comments which I clipped out of a recent paper which are self-explanatory.

At a time when our President seems to be having many problems which I happen to believe comes mainly from poor advice--such as, his stand on deregulation of the trucking industry which sounds good to the average business man that is so fed up with government regulations and red tape; yet to anyone, with the exception of a few very large corporations, that has anything to do with the shipping or receiving of freight understands that deregulation is probably the worst thing that could happen in the efficient operation of their business.

As to the people in our industry, we are solidly against deregulation in any form and this position will be registered at the convention and at the polls in November. I happen to believe that the election,

Mr. John O. Marsh, Jr.

May 6, 1976

Page 2

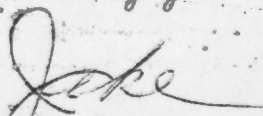
whoever the opponent to the President, will be very close come November. Our industry could well make the difference in that outcome when you consider the trucking industry and the shippers and receivers in this country.

I personally would like to see the President reelected. Isn't there something that you can do to change his position on deregulation? If this is done, I believe that we can get our industry solidly behind the President.

Thanking you for your reaction and comments.

With kind personal regards,

Sincerely yours,

  
R.R. Smith



Enclosure

# ATA Urges Democrats to Back ICC Regulation in Platform

KANSAS CITY — Earl N. Hoekenga, a vice president at large of American Trucking Associations, has asked the Democratic party to make deregulation a campaign issue by endorsing economic regulation of motor carrier freight transportation in its 1976 platform.

The trucking industry's represen-



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## *Guest Editorial*

President Gerald Ford has been pictured as registering surprise when the American Trucking Associations reacted in vigorous opposition to his proposal to deregulate the trucking industry.

If true, the President's surprise should have been bewildering in itself, since more than

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Mankato, Minn., Free Press**

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11,000 of the industry's 15,000 members have gross annual incomes of less than \$500,000.



THE WHITE HOUSE

WASHINGTON

June 22, 1976

Commerce  
(Shipping)



MEMORANDUM FOR: DICK CHENEY  
FROM: JIM CANNON *Art Stern for Jim Cannon*  
SUBJECT: The Administration's "Third-Flag" Bill

In late May the President decided to propose our own "third-flag" legislation as an alternative to a Federal Maritime Commission ("FMC") draft bill and another bill already under discussion in the House (H.R. 7940). Each of the three bills would give the FMC substantial new authority to deal with state-controlled ocean shipping firms -- primarily Soviet-Flag -- which are allegedly "unfairly" competing with other profit-making shipping firms. The Administration bill, which would be a watered down version of the FMC draft bill, is now being drafted.

This decision was based on information contained in a decision memorandum from OMB and staff comments collected by Jim Connor.

I would strongly recommend that the President reconsider this decision for two reasons:

1. While OMB recommended against supporting any legislation, the decision memorandum suggested that some kind of Congressional action on a third-flag bill was likely and that an Administration bill might be a preferable alternative to other bills. However, it would now appear that Congressional action is unlikely this year. Representative Pete McCloskey, the ranking Republican on the House Merchant Marine Subcommittee, reports that no one has made a good case for a bill and that he is determined to stop any bill. He argues that the chance of any action this session "are slim" and that the best Administration strategy is to "cool it" and wait to help him resist a bill, if necessary.
2. The decision memorandum failed to emphasize sufficiently that any increased economic regulatory authority for the FMC would be wholly inconsistent with the President's efforts to reduce economic regulation and to emphasize increased competition as a preferable alternative.

If you agree with my recommendation that the President reconsider this issue, we will be happy to work with OMB in drafting the appropriate decision memorandum for the President.

cc: ✓ Paul O'Neill

File

THE WHITE HOUSE  
WASHINGTON

July 16, 1976

MEMORANDUM FOR: JIM CANNON  
FROM: ART QUERN  
SUBJECT: Third Flag Legislation

On the basis of a conversation with Paul O'Neill regarding our (Domestic Council) position on Third Flag legislation, I have withdrawn our objection to proceeding with the development of a draft administration bill.

As you know, we were concerned that the Administration was going to take the initiative and submit its own Third Flag bill. We were convinced that this was unnecessary since Congress was unlikely to take any action this year. We also believed that such an initiative would carry with it problems regarding the President's position on regulatory reform and related issues.

Paul O'Neill informed me that our current efforts are geared to the preparation of a draft bill to have on hand should we be asked for one. Currently, however, there is no intention to submit or initiate such legislation.

cc: Paul O'Neill  
Paul Leach

*[Handwritten signatures and initials]*



*file*

THE WHITE HOUSE  
WASHINGTON

June 21, 1976

MEMORANDUM FOR PHILIP W. BUCHEN  
JAMES M. CANNON  
MAX FRIEDERSDORF  
JOHN O. MARSH  
BRENT SCOWCROFT

FROM: WILLIAM F. GOROG *wfg*

SUBJECT: Escape Clause Case - Shrimp

A memorandum from Ambassador Dent on the shrimp escape clause case is attached.

I would appreciate your comments and recommendations on this memorandum no later than c.o.b. Thursday, June 24, 1976.



Attachment

*concur with the  
Monrinnan interagency  
recommendation*

*JWG*



*file*

THE WHITE HOUSE  
WASHINGTON

June 23, 1976

MEMORANDUM FOR: BILL GOROG  
THROUGH: JIM CANNON  
FROM: PAUL LEACH *Paul*  
SUBJECT: Escape Clause  
Case-Shrimp

I concur with the unanimous interagency recommendation that the President accept the findings of the ITC and direct the Secretaries of Commerce and Labor to give expeditious consideration to petitions for adjustment assistance from firms and workers in the industry and communities in which they are located.



THE WHITE HOUSE  
WASHINGTON

JMC

I sent this to Leach for action, but he wants to know what sort of action you want him to take.

Shouldn't he just assess the feasibility of Senator Long's requests?

j overtaken by  
events. JMC

cc: Leach  
Commerce

THE WHITE HOUSE  
WASHINGTON

July 15, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JIM CANNON

FROM:

JIM CONNOR *JEC*

SUBJECT:

Letter from Senator Long

The attached memorandum from Max Friedersdorf was returned in the President's outbox with the following notation addressed to you:

"Check with Secretary Butz, Fred Dent and Alan Greenspan."

Please follow-up with appropriate action.

cc: Dick Cheney  
Max Friedersdorf

SEP 17 1976

THE PRESIDENT HAS SEEN.....

THE WHITE HOUSE

WASHINGTON

July 14, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: MAX FRIEDERSDORF *m.f.*

SUBJECT: Senator Russell Long (D-La.)

I have asked Jim Cannon and Jim Cavanaugh to assess the feasibility of the requests by Russell Long contained in the attached letter from the Senator.

If Long's proposals have merit and represent actions the Administration could take, it might present an opportunity to approach Russell again on the Jobs Bill veto.



June 17, 1976

The Honorable Gerald R. Ford  
1600 Pennsylvania Avenue  
Washington, D. C. 20500

Dear Mr. President:

You are aware of my interest in domestic sugar production because of the importance of the sugar industry to my home state of Louisiana and due to my position as Chairman of the Finance Committee which has jurisdiction over sugar legislation.

Domestic sugar producers have been without a specific sugar program since the expiration of the Sugar Act on December 31, 1974. On March 11 of this year, Senators Inouye, Curtis and Dole joined me in a letter to you expressing our concern over anticipated developments in the international sugar trade and their effect on domestic production. I attach a copy of that letter for your easy reference.

Since that time, the price situation for our domestic producers has deteriorated considerably to the point of jeopardizing the continuation of the domestic industry. On the day preceding our March letter, the domestic raw price was 16.5 cents per pound. By June 3, less than three months later, the price had declined to 13.85. I am concerned that the price may decline even further.

Passage of sugar legislation during the remainder of this year would be difficult, if not impossible, with the many other legislative matters to be handled. However, there are available to you options which could be used at your discretion to prevent disastrous consequences to domestic sugar production. There are actions which could be taken by you under existing statutory authority.

1. Increase the present tariff level from 62.5 cents per hundred pounds to as much as 1.875 cents per hundred pounds. This could be accomplished simply by amending Executive Order No. 4334 of November 16, 1974.

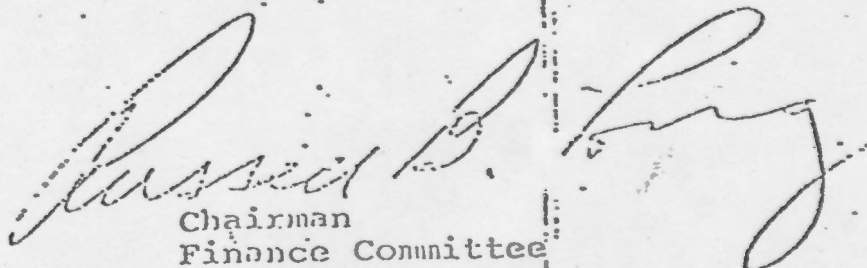


2. Reduce the present foreign import quota of 7 million tons to a more realistic level. Total imports of foreign sugar in 1975 were only 3.9 million tons, and a restriction for 1976 at about that same level might result in a more reasonable price for sugar. Individual country quotas could be established if you considered it advisable. This also could be accomplished by amending Executive Order No. 4334 of November 16, 1974.

3. Direct the Secretary of Agriculture to establish a price support program for sugarcane and sugarbeets under authority contained in Title III of the Agricultural Act of 1949. The level of support could be established from zero to 90 percent of parity. The level of support should be a minimum of 70 percent of parity in order to be equitable with levels established for producers of milk, grains, and other essential commodities. Seventy percent of parity would result in a price for raw sugar of 18.5 cents per pound. The cost of production currently ranges between 15.5 cents and 20 cents per pound.

I would very much appreciate your advice as to what steps the Administration might take to correct the dangerous situation now facing our domestic sugar producers. Since this matter is so vital to the 29 domestic sugar-producing states, your early attention to the problem would be appreciated.

Sincerely,

  
Chairman  
Finance Committee



THE WHITE HOUSE

WASHINGTON

July 26, 1976

*Committed*

*Paul -*

*Porter*

*Leach*

MEMORANDUM FOR:

ROGER PORTER

FROM:

PAUL LEACH

SUBJECT:

Beef Imports and the  
Mayaguez Issue

I understand from USDA that your office is now deeply involved with the beef import question and the Mayaguez Foreign-Trade Zone issue.

Since it doesn't seem to be an efficient use of our time to have duplicate efforts in this regard, I am sending you a letter which requires a draft response. This has been held in abeyance pending resolution of the Mayaguez question, but will certainly require some action within the near future.

cc: ~~Charles Leppert~~  
✓ Jim Cannon



Congress of the United States

House of Representatives

Washington, D.C. 20515

June 14, 1976

The Honorable Gerald R. Ford  
President of United States  
The White House  
Washington, D.C. 20500

Dear Mr. President:

The distressed cattle industry, which is just emerging from the "Beef Depression" of 1973-1975, initiated by the price freeze of 1973 only to be hit with serious drought conditions which imperil its recovery in 1976, has enough on its hands in coping with acts of God without having to suffer further from the burdens of man-made restraints.

Of particular concern is the competition from meat imports, 95% of which are chilled and frozen beef. The level of these imports is too high even under a program of voluntary restraints as negotiated with the importing countries. In addition to those imports which are legal under the Meat Import Act of 1964, our cattlemen are now faced with circumventions which permit additional beef to flood the domestic market and add to the woes of our livestock producers.

We have reference to the frozen beef from Australia and New Zealand which is being shipped to the packing plant in the free port of Mayaguez, Puerto Rico. There it is chopped up and processed into "stew beef" which places it in the "prepared and preserved" category upon which there is no limitation as far as import levels are concerned. Unfortunately, this category is not negotiable under the system of voluntary restraints, but we believe there is ample opportunity under Sec. 2(e) of the Meat Import Act of 1964 to regulate the flow of all meat and make sure it is allocated to the importing country.

This type of circumvention is patently wrong, Mr. President, and steps should be taken to either





stop these imports altogether or see that this particular category is included with the other categories the levels of which can be controlled under the Meat Import Act.

We respectfully call upon the Administration to address itself to this problem immediately-- either to negotiate the voluntary restraints on meat imports at a level which would make allowances for the imports of "stew beef" and other "prepared and preserved" meats, or take other administrative action under the law to control the imports of this kind.

This request comes to you from Representatives of cattle-producing areas, and it is important to note that the cattlemen, generally, have approved the farm policies of this Administration as developed and enunciated by Secretary Butz. Any measures of relief from this unfair competition would reinforce the belief of the cattlemen that you have an understanding of their problems.

Thank you for your prompt consideration of the problem and for advising us what steps you plan to take. Drought conditions are forcing many producers to put their cows on the market at already disastrous prices in direct competition to this "stew beef". Time is of the essence.



Sincerely,

Leslie J. Jones  
Chuck Grassley  
James Abdnor  
Carl Albert

Virginia Smith  
Tim Lee Leaster  
John Myers  
John G. McCallister

*John... Jones, ...*

*Al... Young*

*Thomas... [unclear]*

*[unclear] N. ...*

*Randy... Shirley N. Pettis*

*Ben... [unclear]*

*Clay... [unclear]*

*Walter... Steve Symms*

*Keith... Larry Pressler*

*Garn... Bob Baum*

*Art... Gene Taylor*

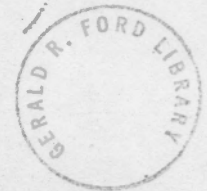
*Richard... Charles Wilson (Tex)*

*Ray... Neal Smith*

*James... Walter Jones*

*Jim... [unclear]*

*Gene... [unclear]*



39

Delbert L. Latta	Virginia Smith
Charles E. Grassley	Tim Lee Carter
James Abdnor	John T. Myers
W. Henson Moore	John Y. McCollister
Joe Skubitz	Charles Thone
Del Clawson	Don Young
Tennyson Guyer	Teno Roncalio
Larry Winn, Jr.	<del>Sam</del> <b>Bill</b> Steiger
Barry M. Goldwater, Jr.	Shirley N. Pettis
William M. Ketchum	Marilyn Lloyd
Floyd Spence	<del>Elford A. Cederberg</del> <b>George O'Brien</b>
Mark Andrews	Steven D. Symms
Keith G. Sebelius	Larry Pressler
Garner E. Shriver	Robert E. Bauman
J. Kenneth Robinson	Gene Taylor
Abraham Kazen, Jr.	Charles Wilson (Texas)
Ray Roberts	Neal Smith
James A. Haley	Walter B. Jones
James P. Johnson	Jim Wright
Gunn McKay	



name changes above per  
Dan Harrant in Congressional

June 21, 1975

file

Dear Mary:

Thank you for letting us know that you concur in the June 14 letter to the President from Mrs. Virginia Smith and others regarding the impact of certain meat imports on the domestic industry.

Please be assured that I shall make certain your name is added to those who have expressed their concern in this matter. I know the views you and your colleagues have expressed will be fully reviewed.

With kind regards,

Sincerely,

Charles Lippert, Jr.  
Deputy Assistant  
to the President

The Honorable Marvin L. Esch  
House of Representatives  
Washington, D.C. 20515



bcc: w/inc. to James Cannon for handling with the June 14 letter to the President from Mrs. Virginia Smith and 39 of her colleagues. A June 16 interia (copy attached) was sent to each of those 39 cosigners, and the incoming sent to you for DRAFT reply.

bcc: w/inc. to Wm. Seidman - FYI

bcc: w/inc. to Amb. Frederick Dent - FYI

CL:JEB:bmr

*identical to each of the 20 additional cosigners*

June 16, 1976

Dear Virginia:

Thank you for the June 14 letter to the President in which you joined with 38 of your colleagues from cattle-producing areas to outline the impact on the domestic industry of meat imports from Australia and New Zealand which are coming into this country by way of the free port of Mayaguez, Puerto Rico.

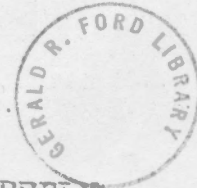
Please be assured I shall call your letter immediately to the President's attention. I know he will appreciate having your views regarding this situation and will wish to have them fully reviewed. You will hear further as soon as possible.

With kind regards,

Sincerely,

Charles Leppert, Jr.  
Deputy Assistant  
to the President

The Honorable Virginia Smith  
House of Representatives  
Washington, D.C. 20515



bcc: w/incoming to James Cannon for DRAFT REPLY  
bcc: w/incoming to Wm. Seidman - FYI  
bcc: w/incoming to Amv. Frederick Dent - FYI

CL:JEB:VO:ki

*identical to each of the 39 Co-signers*

*Marv* Marvin L. Esch

Jack Hightower

Tom Harkin

John B. Conlan

Paul Simon

*W.R.*

W. R. Poage

Edward Hutchinson

*Chairman*

*Mr. Chairman* Wilbur D. Mills

John Melcher

*Buzz* Harold T. Johnson

*Bob* Robert J. Lagomarsino

*Manny* Manuel Lujan, Jr.

*Bill* William L. Dickinson

Ted Risenhoover

Bo Ginn

Harold Runnels

Jim Santini

Tom Steed

Berkley Bedell

*Mr. Chairman* Olin Teague





James Jackson

John H. ...

Tom Hark

John ...

Paul ...

Edwards ...  
Mill

John ...  
Lara ...

Robert ...

Samuel ...

W. H. ...

Jed ...

Bo ...

John ...

John ...  
Steel

Ken ...

DD ...



*Commerce*

THE WHITE HOUSE  
WASHINGTON

July 27, 1976

MEMORANDUM FOR: JIM CANNON  
FROM: PAUL LEACH *Paul*  
SUBJECT: Administration's Position  
on the "Bottlers' Bill"

The attached Paul O'Neill memo to the President asks for a decision on whether or not to oppose this bill which would provide an antitrust immunity to the soft drink bottling industry.

Markup may be tomorrow, so resolution of this issue has urgent priority.

This issue was discussed at the EPB meeting on Monday and there was no objection to the Justice Department position: That the Administration oppose this bill. This position is consistent with past Justice Department opposition to similar bills.

Since (1) the Administration has been consistently opposed to specialized exemptions from the antitrust laws and (2) some strange, normally pro-antitrust Senators (Cranston, Humphrey and McGovern) are among the sponsors and thus vulnerable to the charge of inconsistency, I would recommend that you agree with the Justice recommendation that we express strong Administration opposition.



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 26, 1976

Time:

FOR ACTION:

cc (for information):

JACK MARSH

MAX FRIEDERSDORF

BOB HARTMANN

JIM CANNON

PHIL BUCHEN

DAVE GERGERN (For information)

BILL SEIDMAN

FROM THE STAFF SECRETARY

DUE: Date: Tuesday, July 27, 1976

Time: 2:00 PM

SUBJECT:

OMB(O'Neill) Memo re Administration Position on S. 3421  
(The Bottlers' Bill)

(Quick turn around requested because hearings may start Wednesday,  
July 28)

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

*I support the Justice Dept position*  
*Jul*



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James E. Connor  
For the President

*file*  
*Commerce*

THE WHITE HOUSE  
WASHINGTON

August 25, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *J. Cannon*

SUBJECT: Proposed Legislation Relating to West Coast Shipping Strikes and the Effect on Hawaii



Congressman Spark Matsunaga has written (Tab A) to you requesting clarification of your position on legislation (H.R. 4526/S. 1566) to protect Hawaii from West Coast shipping tie-ups. Congressman Matsunaga refers to a July 10, 1976 article in "The Honolulu Advertiser" (Tab B) in which you are reported to have expressed your support for such legislation to Bill Paul, an uncommitted Hawaiian delegate to the Republican National Convention. On June 18, 1976 Jack Anderson reported on AM America that you had advised three (not named) uncommitted Hawaiian delegates you would support legislation to protect Hawaii from shipping strikes.

H.R. 4526/S. 1566 would attempt to prevent certain interruptions in shipping between the West Coast and Hawaii, and between the West Coast and the other U.S. Pacific Islands caused by longshore and maritime strikes and lockouts which imperil the "health or well-being" of those living on these islands. This anti-strike provision would be enforceable upon petition of the Governors of Hawaii, Guam, American Samoa, and the High Commissioner of the Trust Territory of the Pacific Islands (or their designated representatives) to a United States District Court for an injunction or temporary restraining order. An injunction under this bill could be granted for up to 120 days.

Although no formal position has been reported by the Administration to the 94th Congress on legislation to protect Hawaii from West Coast shipping tie-ups, a position was taken during the 93rd Congress. The Administration position was in opposition to the legislation. I have attached (Tab C) a copy of a letter from Bill Usery, then Director of the Federal Mediation and Conciliation Service, sent to the Senate Chairman of the Committee on Labor and Public Welfare stating the Administration's opposition to the proposed legislation.

Informal contacts through OMB with the concerned Departments indicate continued opposition to the legislation with one exception (Interior).

Before responding to Congressman Matsunaga on your behalf, I seek your direction as to the nature of the response you would prefer.

#### Decision

- #1. Respond to the Congressman saying that the Administration has taken no position on H.R. 4526/S. 1566 in the 94th Congress and that the matter is under study.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

- #2. Respond to the Congressman saying that the Administration opposed legislation similar to H.R. 4526/S. 1566 in the 93rd Congress and could be expected to do so again if similar legislation were given active consideration by the 94th Congress.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

- #3. Respond to the Congressman saying that you are in sympathy with the intent of the legislation and have directed the necessary Departments and Agencies to review the legislation.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

#### Attachments

- Tab A Cong. Spark Matsunaga Letter  
 Tab B "The Honolulu Advertiser" Article  
 Tab C Copy of Bill Usery Letter



SPARK M. MATSUNAGA  
1ST DISTRICT, HAWAII

WASHINGTON OFFICE:  
442 CANNON BUILDING  
20515

HONOLULU OFFICE:  
218 FEDERAL BUILDING  
96813

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

8-2  
DEPUTY MAJORITY WHIP

MEMBER  
COMMITTEE ON RULES  
STEERING  
AND POLICY COMMITTEE  
CHAIRMAN, SUBCOMMITTEE  
OF SELECT  
COMMITTEE ON AGING

JAB A

July 27, 1976

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

*Mr. Ford*  
I am enclosing a copy of an article which appeared in the July 10, 1976 issue of the Honolulu Advertiser. It reports that you have indicated your support for legislation, introduced jointly in the House and the Senate by me and my colleagues from Hawaii, to protect Hawaii from West Coast shipping tie-ups (H.R. 4526, S. 1126).

There is little you could do as President with regard to Hawaii specifically which will be more appreciated by Hawaii's 850,000 citizens than actively supporting such legislation. It is considered by a broad-based majority, including Republicans and Democrats, businessmen and union members, to be perhaps the most important proposal considered by Congress since the debate over Statehood for Hawaii. One recent poll indicated that fully 83.9% of Hawaii's residents favor enactment of such legislation.

You will recall that in the 93rd Congress, after a similar proposal sponsored by Hawaii's two Senators passed the Senate, my bill, H.R. 7189, was defeated in the House. The key to its defeat was the joint opposition of organized labor and the Administration.

It is my continued conviction that the bill was defeated because of a widespread misunderstanding that the bill was anti-labor. It is not. It seeks only to assure the protection of Hawaii from the severe consequences of a prolonged termination of its "lifeline", shipping.



The President  
July 27, 1976  
Page Two

In this regard, you kindly provided Senator Hiram L. Fong and me the opportunity to discuss the matter with you during the flight back to Washington aboard Air Force One last December 7. You indicated that you would direct a review of the matter.

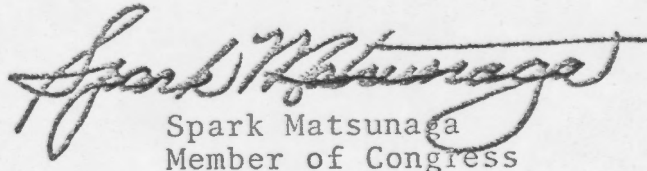
I was deeply gratified and encouraged to learn that your further examination of the issue has led you to support the proposed legislation. Because of the gravity of the situation, however, I hope you can understand my desire to obtain a clarification of the position of your Administration with regard to the relevant bills.

I therefore most respectfully request that I be provided with such a clarification. If I can be of any assistance whatsoever, please contact me.

Your further attention to this issue of crucial importance to Hawaii is deeply appreciated by all of its people.

Aloha and best wishes.

Sincerely,



Spark Matsunaga  
Member of Congress

TAB B

Honolulu Advertiser: July 10, 1976

# Ford backs shipping strike bill in call to Hawaii delegate Paul

By DOUGLAS WOOD

Advertiser Government Bureau

President Ford told a member of Hawaii GOP National Convention delegation yesterday that the White

tial rival. Reagan, too, said he supported the shipping legislation, Paul said.

But Paul, who "leans toward" Ford, said the President

Congress, Paul met with Ford but Ford declined to endorse the shipping legislation.

Paul said Ford apparently was not familiar enough with the legislation

being subtly pressured for his vote in exchange for Ford's support of the shipping legislation.

"Absolutely not," Paul said. "And he said that."

Case Code

7/10-7/73.2

FEDERAL MEDIATION AND CONCILIATION SERVICE  
UNITED STATES GOVERNMENT  
WASHINGTON, D.C. 20427  
June 3, 1974

TABC

*File*

*410*  
*Bo...*

Honorable Harrison A. Williams, Jr.  
Chairman, Committee on Labor and Public Welfare  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

This is in response to your request for the views of the Federal Mediation and Conciliation Service on S. 1566, a bill which seeks to prevent West Coast dock strikes from imperiling the health and safety of the citizens of Hawaii and the United States Pacific Islands.

The proposed legislation would prohibit strikes or lockouts in the longshore or maritime industries on the West Coast, which interferes with shipping between the West Coast and Hawaii, Guam and other Pacific Islands, for a period of one hundred and sixty (160) days. The anti-strike provision is enforceable upon petition by certain designated parties to a United States District Court for an injunction or temporary restraining order. This would be in addition to the injunctive relief available under Section 208 of the LMRA, 1947.



The Service is, of course, greatly concerned with the problem of work stoppages in the longshore and maritime industries. Moreover, the rationale of protecting the health and safety of the people of Hawaii and the United States Pacific Islands is compelling. However, a question arises as to whether this type of proposed legislation promotes the resolution of labor disputes that affect the various forms of transportation throughout the country; whether selectively postponing a work stoppage

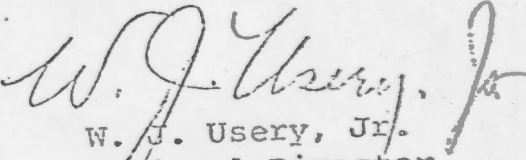


aids in settling the dispute which caused the disruption. In this regard, we agree with the recently published report and recommendations of the National Commission for Industrial Peace which stress the point that our national labor policy relies on collective bargaining as the primary means of resolving labor disputes. The report also notes that the parties have been successfully searching for substitutes to economic strife and have placed increasingly greater reliance upon mediation and fact-finding as tools of voluntary dispute resolution.

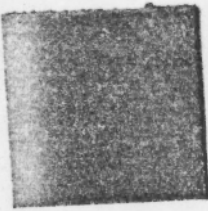
Although we recognize the economic disruption to Hawaii and other Pacific Islands, we question whether providing for additional selective injunctive relief would aid in encouraging labor and management to seek peaceful means of resolving their differences in collective bargaining instead of relying upon economic disruption. For that reason, we do not believe enactment of this bill would be desirable at the present time.

The Office of Management and Budget advises that they have no objection to the submission of this report.

Sincerely,

  
W. J. Usery, Jr.  
National Director





THE WHITE HOUSE  
WASHINGTON

*File Exports?*  
*Commerce*

September 23, 1976  
1976 SEP 24 AM 8 03

MEMORANDUM FOR:

- ✓ JIM CANNON
- ALAN GREENSPAN
- BRENT SCOWCROFT
- BILL SEIDMAN
- FRANK ZARB

FROM:

JACK MARSH *Jack*

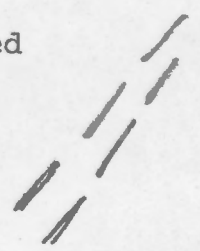


It appears quite likely the House and Senate conferees on the Export Bill will agree to a very restrictive boycott amendment.

If this does occur, we should begin efforts to study the impact of such legislation, particularly in an economic and energy perspective. These inputs will be essential for the President when he addresses the bill after it comes down from the Hill.

The nuclear amendment should also not be overlooked and the information on its impact should be made available to the President.

- cc:
- Dick Cheney
  - Jim Cavanaugh
  - Max Friedersdorf
  - Bill Gorog



*Woman*  
*Report of NY. Anti Boycott*

THE WHITE HOUSE

WASHINGTON

September 23, 1976

1976 SEP 24 AM 8 03

MEMORANDUM FOR:

✓ JIM CANNON  
ALAN GREENSPAN  
BRENT SCOWCROFT  
BILL SEIDMAN  
FRANK ZARB

FROM:

JACK MARSH *Jack*

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If this does occur, we should begin efforts to study the impact of such legislation, particularly in an economic and energy perspective. These inputs will be essential for the President when he addresses the bill after it comes down from the Hill.

The nuclear amendment should also not be overlooked and the information on its impact should be made available to the President.

cc: Dick Cheney  
Jim Cavanaugh  
Max Friedersdorf  
Bill Gorog

*Review  
Report of my - Anti Boycott*



092401

October 13, 1976

MEMORANDUM FOR: JIM CONNOR  
FROM: JIM CANNON *Art Lunny for*  
SUBJECT: Proposed Presidential Letter  
to Karl Bakke

I would caution against this proposed letter since the Bakke/Soviet agreement may not be something about which the President should be unequivocally pleased. While it is attractive to U.S. shipping companies, it will probably cause less rate competition. This could be detrimental to our exporters, importers and consumers. In addition, I understand that the negotiations went on without the necessary State Department involvement and the "agreement" has been presented as a fait accompli by the FMC.

However, if this letter is sent, I would propose the changes suggested on the attached Scowcroft draft.

Also, whatever happens I would recommend that this be run by Bill Seidman, Ed Schmults, CEA and OMB, since this deals with a sensitive maritime policy issue.

Attachment



Dear Mr. Chairman:

Thank you for your informative letters of July 19 and September 17 concerning the Memorandum Agreement between the Federal Maritime Commission and the Soviet Ministry of Merchant Marine, which you signed last July. I am hopeful that your Agreement will lead to a more stable ocean liner trade and will result in healthier liner competition along with better service and lower prices for our exporters, importers and consumers.

Please continue to keep me informed of any further significant developments.

Sincerely,



The Honorable  
Karl E. Bakke  
Chairman  
Federal Maritime Commission  
1100 L Street, N.W.  
Washington, D.C. 20373

THE WHITE HOUSE  
WASHINGTON

Handled by John Eden at Commerce.

Sheri 1/3/77



THE WHITE HOUSE  
WASHINGTON

1976 NOV 11 AM 9 36

Date: November 10, 1976

MEMORANDUM FOR:

JAMES CANNON

FROM:

WILLIAM W. NICHOLSON

SUBJECT:

Henry P. Read, Superintendent of  
Schools, Patchogue-Medford Public  
Schools, Patchogue, New York

The attached is for your appropriate handling.

Thank you.



1(1101

206  
Audience  
(open)  
BOARD OF EDUCATION

cc: Leach  
Lissy

# PATCHOGUE-MEDFORD PUBLIC SCHOOLS

George A. Mason, Jr., Pres.  
Robert J. Mayer, Vice Pres.  
Jerome Botwinick  
Arthur Fuccillo  
Patricia A. McDonald  
Claire Meyer  
Alfred A. Volkmann

ADMINISTRATIVE OFFICES  
241 South Ocean Avenue, Patchogue, N. Y. 11772

HENRY P. READ  
Superintendent of Schools  
(516) 654-4001

Albert A. Benincasa, Clerk

November 5, 1976

President Gerald R. Ford  
The White House  
1600 Pennsylvania Avenue  
Washington, D. C.

ACTION	
T/D _____	
SCHEDULE BD. _____	
DATE RECEIVED	
NOV 10 1976	
MESSAGE _____	
SPEAKERS BUREAU _____	
OTHER _____	<i>James Cannon</i>

Dear Mr. President:

For more than a century public and private citizens have led development of our community with a balance among private homes, retail businesses, and light industry. The community is located in Suffolk County, Long Island, and has evolved from suburban to become more urban in character. The transition was accomplished with acceptance and accommodation of new residents.

Suddenly, after many years of effective growth, we continue to face increasing school enrollments, but we are frustrated by diminished employment opportunities and a substantial increase in the number of persons requiring public assistance. One effect of the change has been a lessening ability of the citizens to maintain their schools at a level which will allow maximum utilization by young students and adults.

The Patchogue-Medford School District has applied to the Department of Commerce for \$4,972,000 under the Local Public Works Development and Investment Program. Application material was completed and submitted under the prescribed deadline. All technical details were properly fulfilled.

However, we have concerns that the application format does not lend itself to an accurate portrayal of the nature of our community. We may never be given full opportunity to adequately describe the critical difference that federal funding could make to a community at the crossroads of positive progress or major deterioration.

Please grant us a few minutes of your time in order that we may share with



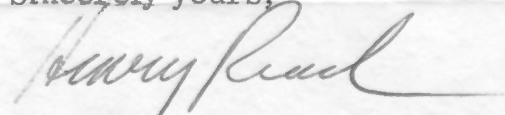


President Gerald R. Ford  
November 5, 1976  
Page 2

you the problems we face. A meeting would provide an opportunity for you to understand that the spirit of this legislation will be well served in the case of the Patchogue-Medford School District.

We will anticipate hearing from you to establish a convenient time to meet with you or with one of your respected White House advisors to discuss our proposal.

Sincerely yours,



Henry P. Read  
Superintendent of Schools

HPR:sn  
cc: Board of Education



# Losers in the Trading Game

Commerce  
Sunderland

By Michael Manley

KINGSTON, Jamaica—There is a continuing and increasingly significant world dialogue about the relationship between the richer and poorer nations. The search for effective development strategies; the desirability of aid programs; the problem of the terms of trade; the role of the Third World in international politics—these concerns occupy more and more attention of the world's political leaders and analysts of human affairs.

We Jamaicans are part of the Third World, and I am a part of a team trying to struggle with economic reality in an island that is as full of promise as it is beset by difficulties. We are trying to lay the foundations of a

per cent and are currently trying to wrestle our inflation rate back down to 20 per cent a year!

At the root of this inflation lies a deeper chronic problem that is disabling for the Third World: the problem of the terms of trade. This is not a phrase dealing with some refinement of economic theory, but rather it describes the brutal ground rules of a game in which we are cast as permanent losers.

Over the years, the prices received for exported raw materials, on which poor countries depend, have tended to be unstable with little tendency to rise, while prices of manufactured and processed goods exported by the metropolitan countries have tended to be stable with a steady tendency to in-

demanding action now. But there can be no action if the world orders its trading patterns so as to insure that the two billion members of the Third World are bound to be losers and the metropolitan world's one billion members permanently occupy the winner's circle. It is against this background of futility that systems of inadequate and unrealistic aid are called increasingly into question and that the Third World is turning its attention increasingly to what is now described as a new world economic order.

What emerges from all this is that world trade cannot and must not be left to the mercy of purely economic forces. Those who argue for free trade both in terms of the right of nations to exchange goods without let or hindrance and of having prices determined by international market forces are set