

8/17/77

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/att.	From Dodson to Hutcheson (12 pp.)re: Senator Church's Letter on His Conversations with Castro / enclosed in Hutcheson to The President 8/17/77 <i>2 pp. opened per RAC NLC-126-8-40-1-8, 2/7/13</i> <i>6 pp. brought forward</i>	8/17/77	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Hand-writing File 8/17/77 Box 44

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

THE WHITE HOUSE
WASHINGTON

August 17, 1977

Stu Eizenstat -

The attached was returned from
Camp David and is forwarded to
you for appropriate handling.

The signed bill and statement have
been given to Bob Linder for
appropriate handling.

Rick Hutcheson

Re: Enrolled Bil/H.R. 6370

cc: Hamilton Jordan
Frank Moore

X

881077
ACTION

LAST DAY - Thursday, August 18, 1977

THE WHITE HOUSE

WASHINGTON

August 16, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *h/Blarg*
SUBJECT: Enrolled Bill H.R. 6370 --
International Trade Commission
Authorization of Appropriations

THE BILL

H.R. 6370 authorizes FY 1978 appropriations of \$11,522,000 for the ITC. This is \$665,000 less than the ITC's budget request of \$12,187,000 which, by law, was transmitted to the Congress without Presidential review. The bill attempts to alleviate current management difficulties within the six-member ITC by altering the method of designating the Chairman and Vice Chairman and by vesting certain administrative powers in the Chairman.

Under present law, the Chairmanship of the ITC rotates among the Commissioners. The bill gives the President the power, starting in June 1978, to appoint the Chairman but provides that the appointment must be from among currently-serving Commissioners of the political party opposite that of the outgoing Chairman. Since outgoing Chairman Minchew is a Democrat, the bill would require you to appoint the new Chairman from among the existing Republican Commissioners. You could not even appoint a Republican of your choice as a new member of the ITC and then designate that member Chairman because the bill prohibits the two most junior Commissioners from serving as Chairman.

VOTES IN CONGRESS

The bill passed both the Senate and the House by voice votes.

AGENCY AND STAFF RECOMMENDATIONS

Ambassador Strauss does not oppose your signing the bill but recommends that you issue a signing statement expressing your concern over the restrictive appointment provisions referred to above and indicating your intention to seek remedial legislation. OMB concurs with the Ambassador's recommendation.

The other relevant agencies either approve or have no objection to the bill. Frank Moore recommends that you approve the bill. Jack Watson has no comment. Bob Lipshutz agrees with Ambassador Strauss' objections to the restrictive appointment provisions of the bill and suggests consideration of a veto in the hope that this matter can be resolved now. I do not think that this bill should be the subject of your first veto. I recommend that you approve the bill but issue the attached signing statement.

DECISION

Approve H.R. 6370 with signing statement

Approve H.R. 6370 without signing statement

Disapprove

*We need to catch
these fool provisions
before final passage*

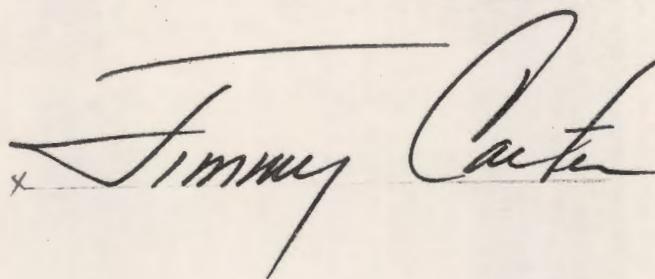
J

STATEMENT BY THE PRESIDENT

H.R. 6370, which I am signing today, authorizes FY 1978 appropriations of \$11,522,000 for the International Trade Commission. The bill also provides the President with the power, starting in June 1978, to appoint a Chairman of the six-member Commission but requires the appointment to be from among the four most senior Commissioners. In addition, the new Chairman must be of the opposite political party from the outgoing Chairman and from the new Vice Chairman.

I believe these restrictions on the selection of a Chairman may unduly limit the President's ability to select the best available leadership for the Commission.

Accordingly, I hope that Congress will correct this defect prior to the appointment of the new Chairman by enacting legislation giving the President the flexibility to select any of the Commissioners as Chairman.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink on a light-colored background. The first name "Jimmy" is written in a slightly larger and more prominent hand than the last name "Carter". There is a small 'x' mark at the beginning of the signature line.

THE WHITE HOUSE
WASHINGTON

August 17, 1977

Stu Eizenstat -

The attached was returned from
Camp David and is forwarded to
you for appropriate handling.

The signed bill has been given to
Bob Linder for appropriate
handling.

Rick Hutcheson

Re: Enrolled Bill H, R. 6689

X

88/11/77

THE WHITE HOUSE

WASHINGTON

August 16, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT *By D. Rubenstein*

SUBJECT:

Enrolled Bill H.R. 6689 -- Foreign
Relations Authorization Act, FY 1978

THE BILL

The bill authorizes \$1.7 billion in FY 1978 for State, USIA, and several small foreign relations units -- about \$75 million more than the Administration requested.

The bill makes some minor changes in State Department personnel rules. It contains several Congressional statements on foreign policy, including:

- The Panama Canal Treaty should protect the vital interests of the U.S. in the operation and defense of the Canal;
- Any negotiations to normalize relations with Cuba should be conducted on a reciprocal basis, taking into account Cuban military interventions and human rights policies, and should protect the personal and property rights of U.S. citizens;
- The President should take diplomatic steps to create an international system of nationally held grain reserves; and
- U.S. representatives at the Belgrade Conference should express concern over the fate of Soviet dissident Anatoly Shcharansky.

The bill also seeks to facilitate visits to the U.S. by members of proscribed organizations -- notably trade union officials from Communist countries. In the past, such officials have generally been denied visas, largely because of pressure from the AFL-CIO. The amendment would leave the decision whether to grant visas to the Attorney General, as at present. But that decision would have to be based on a recommendation from the Secretary of State, who must either make such a recommendation or certify to the Congress that the granting of visas is contrary to U.S. security. The

AFL-CIO is not happy with this provision, but it does accord with your preference for much freer movement of people and ideas.

VOTES IN CONGRESS

The bill passed the Senate 64-21 and the House 285-111.

AGENCY AND STAFF RECOMMENDATIONS

The affected agencies either approve or have no objection to the bill. OMB recommends approval, as do I and Bob Lipshutz. Dr. Brzezinski and Jack Watson have no comment. Frank Moore recommends approval but also notes labor's problem with the visa provision.

GSA, while officially expressing "no objection" has expressed strong reservations about a section of this bill that changes the way foreign gifts to U.S. officials will be handled. At present, GSA and the State Department jointly administer the receipt of foreign gifts. State writes the regulations pertaining to gifts received by all federal employees and maintains records of those that have been received; GSA receives the gifts and disposes of them under provisions of the property act. This enrolled bill will allow each federal agency to write its own regulations for its employees on the receipt of foreign gifts; GSA will still be responsible for disposing of them. GSA is concerned that the lack of centralization and the multiplicity of regulations that will result from the enrolled bill will hinder the government's control over foreign gifts to U.S. officials and will make it extremely difficult for GSA to carry out its functions in this area. However, GSA does not recommend a veto.

DECISION

Approve H.R. 6689 ✓

Veto H.R. 6689 _____

*Stu -
We can issue
guidelines from me.
Prepare draft -
J*

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

INFORMATION

17 August 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *Ril*
SUBJECT: Memos Not Submitted

1. SENATOR CHURCH LETTER, describing meeting with Castro in more detail. NSC has reviewed the memo, and says all of the issues were discussed in your meeting with Sen. Church. C
2. BLUMENTHAL MEMO on Normalization of US-Cuba relations. NSC comments that Blumenthal's position (that there is a tendency to overestimate the political leverage afforded the US by economic concessions) was presented in the minutes of the PRC meeting on Cuba of August 3, which the President has already seen. NSC also states that the President has already decided on the issue mentioned by Blumenthal. 19
3. GOODWIN CHASE LETTER on accomplishments of the Renegotiation Board since Chase became Chairman. 19
4. SECRETARY BERGLAND REPORT on international food and agriculture. Eizenstat and Bourne are coordinating White House staff response to the memo, which will be submitted to you when staff work is completed. 19

THE WHITE HOUSE

WASHINGTON

Date: August 12, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat *sc*
Hamilton Jordan ***
Bob Lipshutz - *no comment*
Frank Moore - *no*
Jack Watson - *see comments*
Bert Lance - *see comments*

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Letter from Goodwin Chase, Chairman of the Renegotiation Board dated 8/11/77 re summary report of accomplishments.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 9:00 AM

DAY: Monday

DATE: August 15, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

* Betty Rainwater ^{x6754} putting comments together will call after 1 PM Today - 8/15

→ 8/17 Betty Rainwater paid to go without comments - no one here who can do it - evacuation or unavailability.

RBZ
8/17/77

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. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input checked="" type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	JORDAN
<input checked="" type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	<input type="checkbox"/>	MOORE
<input type="checkbox"/>	<input type="checkbox"/>	POWELL
<input checked="" type="checkbox"/>	<input type="checkbox"/>	WATSON
<input checked="" type="checkbox"/>	<input type="checkbox"/>	LANCE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE
WASHINGTON

This is logged

8/12/77

TO: *Rick Hatcherson*

For Your Information: _____

For Appropriate Handling: *✓*

[Signature]
Robert D. Linder



WASHINGTON, D.C. 20446

22

August 11, 1977

Dear Mr. President:

In keeping with my proposal to you, the accompanying first summary report of strides taken by the Board since you designated me Chairman on March 5th, will be of your interest.

Until there is adequate staffing, excessive profits and interest in significant amounts will continue to escape refund. Until our escalating backlog of \$162.2 billion and approximately \$40 billion of annual defense contractor sales to the Government are examined, it is not possible to determine with a reliable degree of accuracy the amount of excessive profits lost to the United States Treasury. From my experience and drawing upon professional staff, however, it is evident that excessive profits recovery would exceed many times over the 7 dollars refunded for every operational dollar expended by the Board in 1976. This conclusion assumes implementation of sound and effective management practices in the renegotiation process.

Board Members Harry R. Van Cleve and William F. McQuillen, whom you appointed on April 29th and May 3rd respectively, have brought a highly desired and well balanced, new dimension to the Board. Policy decisions and case load determinations, however, will continue to be restrained until the two remaining Board Member vacancies are filled.

My colleagues and I have a very special appreciation for the unequivocal support you have given the Renegotiation Reform Bills now pending in the Senate and House. Meanwhile, we are aggressively seeking to achieve your goals to prevent waste in government defense procurement

and to retard the inflationary pressures which occur when excessive profits remain unrecovered.

Respectfully,

A handwritten signature in cursive script that reads "Goodwin Chase".

Goodwin Chase
Chairman

Enclosure

cc: Hamilton Jordan

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

Summary Report

1. Replacement and reorganization of the official statutory Board staff have been accomplished. The Board is now effectively operating on a functional basis.
2. Lines of communication and authority have been perfected.
3. The Board has made extensive presentations of renegotiation processing problems to officials of the Department of Defense, resulting in the introduction of a new era of cooperation and communication between the Board and the Department of Defense.
4. The Board made a presentation to officials of the Department of Justice to identify areas wherein processing Court of Claims cases can be improved.
5. The Board made in-depth presentations to officials of the Office of Management and Budget to achieve a better understanding of the renegotiation process and the economic importance of recovering excessive profits. The Board is seeking to obtain approval from the Office of Management and Budget to expand its inadequate staff of 179 people to 417 in order to liquidate the Board's backlog in a four-year period and process the annual Defense Department procurement on a current basis.
6. The Board has established formal Guidelines for the Application of Statutory Factors used to determine excessive profits. It was thoughtfully designed to represent fairly and equitably the interests of the Government and defense contractors.
7. To assure uniform renegotiation procedures, Standards of Practices are being developed. The basic manual completion deadline is March 1, 1978.
8. The Board has submitted to the Senate Banking, Housing and Urban Affairs Committee a suggested weighted guidelines method to achieve greater objectivity in the application of the statutory factors.

9. The Board has revoked the previous Board's exemption of Foreign Military Sales.
10. A task force of Board professionals and General Counsel's office is reviewing Administrative Orders in conflict with the statute and regulations, regulations in conflict with the statute, and regulations in conflict with other regulations. This intensive effort has January 31, 1978 as its deadline. Meanwhile, recommendations on a continuing basis are being made to the Board as each study is concluded.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 12, 1977

MEMORANDUM TO: Rick Hutcheson
FROM: Joyce J. Walker *Joyce Walker*
SUBJECT: Letter from Mr. Goodwin Chase,
Chairman of the Renegotiation
Board

If the President wishes to respond to this letter, his reply should be a courtesy acknowledgement of receipt. The matters of adequate staffing and budgetary levels will be addressed in the Fall Budget Review.

*Not
copy*

Date: August 12, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
 Hamilton Jordan
 Bob Lipshutz
 Frank Moore
Jack Watson
 Bert Lance

FOR INFORMATION:

The Vice President

1977 AUG 12 PM 2 50

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Letter from Goodwin Chase, Chairman of the Renegotiation Board dated 8/11/77 re summary report of accomplishments.

YOUR RESPONSE MUST BE DELIVERED
 TO THE STAFF SECRETARY BY:

TIME: 9:00 AM

DAY: Monday

DATE: August 15, 1977

ACTION REQUESTED:

 Your comments

Other:

STAFF RESPONSE:

 I concur.

Please note other comments below:

 No comment.

except that the request for ^{an} almost 2 1/2 times increase in the staff should be reviewed very carefully —

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. (Telephone, 7052)

J. Watson



WASHINGTON, D.C. 20446

RL

August 11, 1977

Dear Mr. President:

In keeping with my proposal to you, the accompanying first summary report of strides taken by the Board since you designated me Chairman on March 5th, will be of your interest.

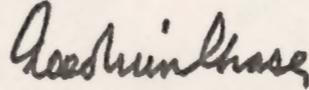
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and to retard the inflationary pressures which occur
when excessive profits remain unrecovered.

Respectfully,



Goodwin Chase
Chairman

Enclosure

cc: Hamilton Jordan

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

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good

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Date: August 12, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
 Hamilton Jordan
 Bob Lipshutz
 Frank Moore
 Jack Watson
 Bert Lance

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Letter from Goodwin Chase, Chairman of the Renegotiation Board dated 8/11/77 re summary report of accomplishments.

YOUR RESPONSE MUST BE DELIVERED
 TO THE STAFF SECRETARY BY:

TIME: 9:00 AM

DAY: Monday

DATE: August 15, 1977

ACTION REQUESTED:

 Your comments

Other:

STAFF RESPONSE:

 I concur.

No comment.

Please note other comments below:

CAF

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 (Telephone, 7052)

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

INFORMATION

17 August 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *R.H.*
SUBJECT: Memos Not Submitted

1. SENATOR CHURCH LETTER, describing meeting with Castro in more detail. NSC has reviewed the memo, and says all of the issues were discussed in your meeting with Sen. Church. C
2. BLUMENTHAL MEMO on Normalization of US-Cuba relations. NSC comments that Blumenthal's position (that there is a tendency to overestimate the political leverage afforded the US by economic concessions) was presented in the minutes of the PRC meeting on Cuba of August 3, which the President has already seen. NSC also states that the President has already decided on the issue mentioned by Blumenthal. 91
3. GOODWIN CHASE LETTER on accomplishments of the Renegotiation Board since Chase became Chairman. 91
4. SECRETARY BERGLAND REPORT on international food and agriculture. Eizenstat and Bourne are coordinating White House staff response to the memo, which will be submitted to you when staff work is completed. 91

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~SECRET~~ - GDS

August 17, 1977

MEMORANDUM FOR: RICK HUTCHESON
FROM: CHRISTINE DODSON *Christie*
SUBJECT: Secretary Blumenthal's Memorandum on Cuba

The position suggested by Secretary Blumenthal in his memorandum to the President, dated August 12, 1977, was presented in the minutes of the PRC meeting on Cuba of August 3, 1977, which the President has already seen. Since the President has already decided on the issue mentioned in the Blumenthal memorandum, the NSC Staff does not believe that any further comment is necessary.

~~SECRET~~ - GDS

12/5/89

THE WHITE HOUSE

WASHINGTON

Date: August 15, 1977

MEMORANDUM

FOR ACTION:

Zbig Brzezinski

FOR INFORMATION:

The Vice President

Stu Eizenstat - *NC*

Hamilton Jordan

Jack Watson

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal memo dated 8/12/77 re next steps on normalization of U.S. Cuba relations. SECRET *attachment*

**YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:**

TIME: 12:00 NOON

DAY: Wednesday

DATE: August 17, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

In Safe

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. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

handcarry

<input checked="" type="checkbox"/>	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	<input checked="" type="checkbox"/>	MONDALE
		COSTANZA
	<input checked="" type="checkbox"/>	EIZENSTAT
	<input checked="" type="checkbox"/>	JORDAN
		LIPSHUTZ
		MOORE
		POWELL
	<input checked="" type="checkbox"/>	WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
<input checked="" type="checkbox"/>	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



~~SECRET/NODIS~~

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

August 12, 1977

97 AUG 15 AM 2 10

MEMORANDUM FOR THE PRESIDENT

Subject: Next Steps on Normalization of
U.S. Cuba Relations

At the PRC discussion of this issue on August 3, two views emerged as to how much leverage is afforded the United States by our trade embargo on Cuba.

I do not believe that our lifting the trade embargo completely, let alone relaxing it partially, would be sufficient to deflect Cuba from pursuits which it considers central to its own national interests, presumably including its involvement in Africa.

Our main lever is opening the U.S. market to Cuban products. Outside of sugar, however, exports to the United States would remain negligible for many years -- especially if we did not extend most-favored-nation treatment to them, which would require Presidential certification of Cuban emigration practices. Even on sugar, our leverage in economic terms is quite modest. Access to the U.S. market would provide a slight cost advantage to the Cubans vis-a-vis competing sugar producers, but would not be terribly significant to Cuban export earnings.

On the U.S. export side, there is little if anything which Cuba can buy from the U.S. which is not readily available elsewhere in the world with perhaps a slight cost disadvantage due to transportation costs.

The political significance of both sides of the trade issue far outweighs economic effects. There is always a tendency to overestimate political leverage afforded to us by possible economic concessions. The last two administrations

~~SECRET/NODIS~~

12/5/89

made this error regarding the Soviet Union and China; in both cases, efforts to achieve major political concessions in return for increased economic exchange failed almost completely. We should not overestimate the scope for action in this area.

At the same time, several lesser but important U.S. objectives can be served by an exchange of concessions if normalization with Cuba continues. As indicated in your directive of March 15, these include the combating of terrorism, and the release of political prisoners and American citizens in Cuba.

In addition, partial relaxation of our trade embargo could logically and effectively be linked to a settlement of Cuba's liabilities for expropriated U.S. property. U.S. claims now total about \$2 billion, on which a settlement of at least \$600 million (the usual 30%) might well be possible. Progress on this issue would also generate political support for the entire normalization process and thereby reinforce its prospects for success.

We should certainly seek to reduce Cuban involvement in Africa, using every lever available to us. If the Cubans refuse to negotiate on that issue, however, I believe that we should pursue the talks with other U.S. objectives in mind and seek to achieve the most balanced package possible.



W. Michael Blumenthal

~~SECRET/NODIS~~

CLASSIFIED BY..... C. Fred Bergsten
SUBJECT TO GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
AUTOMATICALLY DOWNGRADED AT TWO
YEAR INTERVALS AND DECLASSIFIED
ON DEC. 31 1985.....

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~CONFIDENTIAL - GDS~~

August 17, 1977

MEMORANDUM FOR: RICK HUTCHESON
FROM: CHRISTINE DODSON *cd*
SUBJECT: Senator Church's Letter of August 15, 1977,
on his Conversations with Fidel Castro

The President has already seen the memorandum from Senator Church, and the issues mentioned in the memorandum of conversation were discussed in the meeting between Senator Church and the President.

The NSC Staff believes no further comment is necessary.

*best response
from Pres to Church*

~~CONFIDENTIAL - GDS~~

DECLASSIFIED
Per, Rac Project
ESDN; NLC-126-8-40-1-8
EX-155 NARA DATE 2/6/13

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

INFORMATION

17 August 1977

TO:

THE PRESIDENT

FROM:

RICK HUTCHESON *R.H.*

SUBJECT:

Memos Not Submitted

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1
1
1
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4. SECRETARY BERGLAND REPORT on international food and agriculture. Eizenstat and Bourne are coordinating White House staff response to the memo, which will be submitted to you when staff work is completed.

Original - NSC for incorporation into response letter to Sen Church

8/29/77

DECLASSIFIED

Per, Rac Project

ESDN: NLC-12C-8-40-1-8

BY *KS* NARA DATE *2/6/13*

THE WHITE HOUSE

WASHINGTON

Date: August 15, 1977

MEMORANDUM

FOR ACTION:

Zbig Brzezinski

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Sen. Church letter dated 8/15/77 re Conversations with Fidel Castro.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 NOON

DAY: Wednesday

DATE: August 17, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

In safe

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. (Telephone, 7052)

MEMORANDUM
OF CALL

TO: _____

YOU WERE CALLED BY— YOU WERE VISITED BY—

Dodson

OF (Organization) _____

PLEASE CALL → PHONE NO. CODE/EXT. _____
 WILL CALL AGAIN IS WAITING TO SEE YOU
 RETURNED YOUR CALL WISHES AN APPOINTMENT

MESSAGE

*Doesn't not believe
that the Church memos
OR the Blumenthal memo
need to go to President.
They confirm memos*

RECEIVED BY	DATE	TIME
		<i>3:50</i>

STANDARD FORM 63
REVISED AUGUST 1967
GSA FPMR (41 CFR) 101-11.6

GPO : 1969-O-43-16-80341-1 332-359 63-108

THE WHITE HOUSE
WASHINGTON

Rick -

Christine Dodson called on the letter from Senator Church on Cuba & Sec. Blumenthal memo on Cuba --

Mr. Brzezinski already responded to Senator Church and also covered the Blumenthal memo --- they need another hour to put together something for the President on both of these.

Trudy 8/17/77 2 P.M.

FRANK CHURCH, IDAHO
 CLYBORN FELL, R.I.
 GEORGE MC GOVERN, S. DAK.
 HUMBERT M. HUMPHREY, MINN.
 DICK CLARK, IOWA
 JOSEPH R. BIDEN, JR., DEL.
 JOHN GLENN, OHIO
 RICHARD (DICK) STONE, FLA.
 PAUL S. BARBARIS, MD.

CLIFFORD P. CASE, N.J.
 JACOB K. JAVITS, N.Y.
 JAMES B. PEARSON, KANS.
 CHARLES M. PLICCY, ILL.
 ROBERT F. GRIFFIN, MICH.
 HOWARD M. BAKER, JR., TENN.

United States Senate

COMMITTEE ON FOREIGN RELATIONS

WASHINGTON, D.C. 20510

August 12, 1977

NORVILL JONES, CHIEF OF STAFF
 ABNER E. KENDRICK, CHIEF CLERK

MEMORANDUM

TO: The President

FROM: Senator Church

SUBJECT: Visit to Cuba

President Castro asked me to pass on to you the following messages:

1. He understands that the process of normalizing relations between Cuba and the United States has to be slow and that "a spectacular thing can't be done over night." He expects to continue to work in the direction of normalization.
2. He recognizes that the Panama Canal problem is of number one priority to President Carter in this part of the world and that the President "can't do both at once."
3. He is pleased at what the President has done so far.
4. He said that it is difficult for Cuba to find ways to show its own good faith. For example, he said Cuba has no surveillance plane operations that it can stop in response to President Carter's actions. If the embargo were lifted, they could not respond because they have never imposed an embargo on the United States. He hopes the President will realize his difficulty in responding to gestures from the United States.
5. He repeatedly said that the number one world problem, as he saw it, was furthering detente between the U. S. and the Soviet Union. He said that he has never been asked by the Soviets to talk to others about such problems but feels it very important to try to convey the Soviet view of such problems.

6. Castro wanted you to know that Cuban involvement in Africa had no anti-American purpose and that he preferred to send doctors, not troops. He views the purpose of the Cubans there as giving stability to the government of Angola. They sent forces in after Angola had been invaded by South African forces. He cannot believe that South Africa, which has always been so cautious on such matters, would have sent forces without the complicity of Kissinger. He suspects the French want to get control of the Gulf oil facilities. He implied that once the French threat has been removed from the area and Namibia has achieved its independence thus removing another threat of involvement by South Africa, that would then permit the withdrawal of all Cuban forces. He believes his purpose is not inconsistent with the objectives in Africa of the Carter Administration.

He stressed that the Soviets had not sought Cuban intervention in Africa and Cuba was in no way acting as a proxy for the Russians.

7. On terrorism, he said that he felt that President Carter was a religious and moral man of good will and thought that he was doing what he could to bring about an end to terrorist activities. He appreciated being informed of possible terrorist activities when the U. S. learned about them and felt that such cooperation was in the interest of both countries.

Recommendations for Action:

1. Look for opportunities to further cultural, sports, educational and scientific exchanges with Cuba. There are many mutual interests that could be pursued through such exchanges.
2. Allow a Cuban press office to be established in the U. S. (Prensa Latina) in exchange for the opening of U. S. press offices in Cuba.
3. Relax the restriction on financial transactions with Cuba. For example, a tourist cannot now pay for his hotel bill in

Havana with a U. S. check since Cuba cannot cash the check.

4. Consider the possibility of meeting with Castro at the United Nations General Assembly meeting this fall.
5. Expand anti-terrorist activities.
6. Look for ways to cooperate on controlling the international drug traffic.
7. Explore ways to ease the embargo on trade.

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

INFORMATION

17 August 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *R.H.*
SUBJECT: Memos Not Submitted

1. SENATOR CHURCH LETTER, describing meeting with Castro in more detail. NSC has reviewed the memo, and says all of the issues were discussed in your meeting with Sen. Church. C
2. BLUMENTHAL MEMO on Normalization of US-Cuba relations. NSC comments that Blumenthal's position (that there is a tendency to overestimate the political leverage afforded the US by economic concessions) was presented in the minutes of the PRC meeting on Cuba of August 3, which the President has already seen. NSC also states that the President has already decided on the issue mentioned by Blumenthal. C
3. GOODWIN CHASE LETTER on accomplishments of the Renegotiation Board since Chase became Chairman. C
4. SECRETARY BERGLAND REPORT on international food and agriculture. Eizenstat and Bourne are coordinating White House staff response to the memo, which will be submitted to you when staff work is completed. C

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for Preservation Purposes**