The original documents are located in Box 121, folder "Aid, Foreign" of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

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EAGLETON AMENDMENT EAGLETON AMENDMENT

- Q. Does this mean a veto of the continuing resolution?
- A. Yes, but the President hopes that will not be necessary.
- Q. If you veto a continuing resolution, how will you run the aid program?
- A. To prevent the aid program from ceasing completely, we would would ask Congress for another continuing resolution without restrictive amendments.
- Q. What is the acceptable language of the Committee amendment?
- A. (See Text attached)
- Q. Did the President discuss this with Secretary Kissinger?
- A. Yes. He talked to the Secretary at the UN by telephone last night. The President has also talked with Bill Timmons and General Scowcroft on this matter; Bill Timmons has been in frequent touch with the Senate leadership.

A d world suggest you check with someone were formlin with

The details of the logislation - But it opposed that the American with the details of the logislation - But it opposed that the many water to constitute using appropriate in ways and the property.

- Q. All the Eggleton Amendment does is require the Administration to obey the law of the Foreign Assistance Legislation. Why do you oppose it?
- A. The issue of Presidential concern underlying the statement is the impact of this amendment coming at a critical juncture in our efforts to assist the parties in seeking a just and peaceful settlement for Cyprus. In considering the Eagleton language which would destroy our flexibility in this effort, the President is asking that Congress focus on our broader objective which is peace and reconciliation. We have already agreed to accept amendment language which expresses Congressional concern while preserving U.S. flexibility to assist the parties in their search for peace.
- Q. Is the United States now in violation of the law?

 That Amatter I Am Not up to speed on -- All the intricacies of this
 A. That is a question you have to address to the State Department.



Vnoceptale

EAGLETON AMENDMENT

None of the funds herein made available shall be obligated or expended for military assistance, of for sales of defense articles or services (whether by cash or by credit, guarantee or any other means) or for the transportation of any military equipment or supplies to any country which uses such defense articles or services in violation of the Foreign Assistance Act of 1961 or the Foreign Military Sales Act, or any agreement entered into under such acts.

Acceptable

SENATE APPROPRIATIONS COMMITTEE AMENDMENT

Language for Cut-Off of Aid to Turkey

None of the funds herein made available shall be obligated or expended for military assistance or for sales of defense articles and services (whether for cash or by credit, guarantee or any other means) to the Government of Turkey unless and until the President determines and certifies to the Congress that the Government of Turkey is making substantial good faith efforts to achieve a negotiated settlement with respect to Cyprus.

Q. All This Englaton amendment whom is to require that
The lawke observed. Why fight it?

A. What we are seeking to preserve is our flexibity to originate the registration for a percept settlement on Coppens. The timing of This amendment is such that it would senderest that flexibility and that is why we oppose it

Last night the Eagleton Amendment to the continuing resolution authority was passed by the Senate. Today the continuing resolution itself will be brought to a Senate vote.

It is my conviction that approval of the continuing resolution, containing the Eagleton Amendment or similar language, would destroy any hope for the success of the initiatives the United States has already taken or may take in the future to contribute to a just settlement of the Cyprus dispute. This view is shared by Secretary of State Kissinger, who is now in New York where he is making a major effort in his talks with Greek and Turkish representatives to bring about progress.

If the Eagleton Amendment or similar language is adopted by the Congress, the United States will have lost its negotiating flexibility and influence It thus hurts the very countries and objectives it purports to help.

It is my intention, therefore, to withhold my consent to any continuing resolution which reaches my desk containing language such as that found in the Eagleton Amendment. I can, however, accept, and indeed endorse, the language relating to military assistance to Turkey contained in the continuing resolution as reported to the full Senate by the Senate Appropriations Committee.

I deeply appreciate the constructive efforts of the Democratic and Republican leadership in both the Senate and House of Representatives in their support for an amendment which would assist the diplomatic efforts of Secretary Kissinger in seeking an equitable solution to the Cyprus question.

I hope a majority of the Senate will respond to this bipartisan leadership effort.

5. Is the President pleased that the Senate decided to recommit the foreign aid bill last night and does the Administration really prefer that no bill ever emerge this year?

Guidance: As you know, we have expressed the President's concern on several occasions of both the reduced levels of the Senate Foreign Assistance bill and particularly on the many restrictive amendments attached to that bill which could seriously affect the President's ability to conduct the foreign policy of this country. With the Senate's action last night to return the bill to the Senate Foreign Relations Committee for further consideration, the President now looks forward to an opportunity to consult with Congress toward the objective of achieving a result and acceptable foreign assistance bill.

10/3/74

3. Can you confirm reports from Rome quoting Anne Armstrong to the effect that the President had turned down a delegation request for an additional one million tons of food aid? Did the President make this decision personally?

11/13/14

Guidance: I do not know specifically what Mrs. Armstrong may have said in Rome. The facts are that the President has reaffirmed the U.S. position as stated in Secretary Kissinger's speech of November 5, 1974: "During this fiscal year, the United States will increase its food aid contribution, despite the adverse weather conditions which have affected our crops. The American people have a deep and enduring commitment to help feed the starving and the hungry. We will do everything humanly possible to assure that our future contribution will be responsive to the growing needs."

Phone = Instructions to Buty le phone.

There is general agreement on this position within the Administration. As I have mentioned to you before, we cannot be more specific about quantities of food assistance until we have more information on U.S. crop availabilities this year. The matter is under careful review within the Administration and we will make our commitments on a quarterly basis to avoid compounding our own inflation problems here at home.

FYI: You can also point out as Secretary Butz did on TV last night that critics/view food assistance, fail to note the large amounts of grain recently made available to Bangladesh, Egypt and other countries. End FYI.

3. Yesterday the Senator Foreign Relations Committee voted out unanimous ly on the Foreign Assistance Bill. Is the Administration pleased with this bill?

12/74

Guidance: The Administration is, of course, pleased to see that the Senate has moved to iron out to a substantial degree many difficult amendments: that were in the bill before the Congressional recess which both the Administration and many members of Congress found unacceptable. We think the Senate action is very helpful and the Administration is interested in a foreign assistance bill. There are few remaining difficulties. We are studying the bill carefully and will be in touch with the Congressional leadership. j- hel cut old to Kocea, and lus. 2. Too small, 3 - cut old ob and to chile

What doggoog think about the fact that the foreign assistance bill as approve by the SRFC committee has no limitations on aid to Turkey!

12/74

Guidance: We are pleased with the Committee action to not ben aid. to Turkey. We belive our ability to play a positive role in helping to find a solution to the difficult Cyprus problem depends on being able to maintain a constructive relationship with the parties involved.

How can the Administration justify an increased foreign assistance, program while cutting back-on essential domestic programs such as foodstamps, etcl

for the Admin. & have a comprehensive forigue assistance program.

We believe it is essential Suidance: The Administration realizes that in Congress foreign assistance grows more unpopular in times of economic problems. when the foreign aid dollar to protect our interests abroad seems to-compete with the need for dollars for domestic projects. The President is committed to try to find the common ground on issues, try to forge agreement, and to articular the interests of all the poeple rather than of various areas and constituencies.

> We actually spend less than 1/2 of one percent of our Gross National Product on foreign aid. Surely this is a small price to pay for the difference between life and death to many people.

- Q: Why has food aid declined from 18 million tons in the early 1960's to 4 million tons today when world needs have increased?
- A: We no longer have the huge grain stockpiles that were the result of earlier agricultural policies. This year, as last year, not only has the stockpile been depleted, but adverse weather conditions have reduced available supplies. At the same time, rising incomes and population throughout the world, in addition to the devaluation of the dollar, have greatly increased the demand for food from the United States. Secretary Kissinger pointed out at the World Food Conference that the U.S. intends to increase its food aid contribution and to do everything humanly possible to assure that our future contribution will be responsive to growing needs. Of course, Congress will have to do its part.

SEE HENRY'S WORDS AT ROME 2. What is the President's reaction to Senate passage of the Foreign

Guidance: While the bill does contain a number of amendments which the President does not consider in the best national interest, he is pleased at the efforts of Senators Humphrey and Sparkman and others and feels that the Foreign Assistance bill does represent responsible action on the part of the Senate.

12/6/74

The President urges the House of Representatives to consider carefully their actions next week in hopes of early enactment of acceptable legislation.

What does the President mean by saying that the Foreign Assis tance bill account in everything he had hoped for? What specific items were not in the aid package which the President proposed?

One thing that Ones to mind is that
Guidance: The Administration believes that the funding authority, a
Is inadequate. We will continue our efforts with members of
Congress in hopes of improving the situation.

Congress is aware of the Administration views on these amendments. I don't think we need go into a shopping list on the specific items.

Whatsefforts will the President take with members of Congress to improve the situation?

Guidance: I am referring to the President's commitment to have a continuing dialogue with members of Congress.

2. Whateis the Administration's reaction to the House the AID Bill? Will the President sign it?

> GUIDANCE: The President believes that the good bill and he is very pleased with the hard work of the Congress to produce this legislation authorizing the foreign assistance program which is so essential to the conduct of an effective American foreign policy. I am not prepared to get into the details of the individual levels and provisions of the bill. I have already said that the bill is not exactly as the Administration would have written it. and I would note the President remains concerned about the inadequate levels of assistance for Indochina.

FYI: If asked about the Humphrey amendment restricting 70% of the PL 480 Food Program to the UN list of most seriously effected countries, you should say that we are studying the provisions of the Humphrey amendment, but, in general, the Administration opposes restricted amendments of this type, no matter how well intended by the Congress, because the President feels it is important that he has maximumn flexibility in using the resources available to meet the changing needs inthe world and to support U.S. foreign policy objectives.

PASKED WESILL.

3. Do you have any comment on the New York Times Editorial today asking about the delay of the Presidential decision on emergency food assistance?

1/10/15

GUIDANCE: The President still has this problem under consideration and we are prepared to make any announcement at this time, but I do expect an announcement soon. I can assure you that the Administration wants to do everything have by possible to ensure that the U.S. contribution is responsive to the great need in the world. At the same time we want to, along with the other nations of the world, press ahead vigorously with the implementation of the World Food Conference's decisions.

7. Has the President made a decision yet on food assistance? Has he chosen the high option as Sec. Kissinger indicated? If he has not made a decision, why not?

1/20/15

GUIDANCE: The President still has this matter under consideration and there are yet some details which must be assessed. However, we expect to have an announcement for you soon. THE IMPROVED CREP SITUATION IN THE U.S. WITH PERMIT THE A DECISION TOWARD THE HIGHER OPTIONS AND THE PRESIDENT WILL THE MAKE MAKE MAXIMUM AMOUNT POSSIBLE AVAILABLE WITHOUT UPSETTING DOMESTIC GRAIN WITHOUT UPSETTING CONSULTATIONS, PICOS TO PRICES, CONGRESSIONAL CONSULTATIONS, PICOS TO PRICES, CONGRESSIONAL CONSULTATIONS, PICOS TO GRAIN GRANOLICEMENTS WE GOILL ON,

1. Do you have any comment on the Washington Post report of a GAO study that indicates that less than half of U.S. food grants last year went to the seriously needy countries?

1/3/175

GUIDANCE: I would warn you away from accepting the basic thrust of that story and I suggest that you check with AID for the actual facts on U. S. food shipments. I do not have the details myself here this morning, but I am told, for example, that contrary to statements in the Washington Post article Bangladesh has received the largest amounts of food assistance of any other recipient country with 200,000 tons of rice and 200,000 tons of wheat, worth a total of \$115 Million already allocated so far this year. The second ranking recipient country is Cambodia with \$89 Million worth of food allocated this year. I am also told that 62% of all food allocations so far this year have been made to countries ranked as Most Seriously Effected by the UN. Therefore, I would suggest you definitely check with AID for further details on this matter.

3. Has a decision been made yet on the country-by-country allocations on the President's PL 480 decision? Do you plan to make this allocation public?

2/7/75

Guidance: It is my understanding that the process of determining country-by-country allocations is substantially completed but because negotiations are now beginning with many of the countries involved, there is no plan at this time to make public the details of our allocations.

FYI: It has been the standard practice not to make public the country allocations until after the fact at the end of the fiscal year. This is done to avoid complicating negotiations and controversy of comparisons between countries. End FYI.

Is the President concerned that his program for supplying higher levels of food assistance is in danger of falling short of its goals due to bureaucratic foot dragging?

3/19/75 GUIDANCE: The Administration will do everything possible to insure that food assistance goals are achieved. I would refer you to AID and Agriculture for details on how the program is progressing.

122

Press Announcement

The President has approved, for transmittal to the Congress today, amendments to the 1975 Budget for the Department of State and the Agency for International Development totalling \$388.5 million, as follows:

			(<u>\$ million</u>)
Security supporting	assistance	to Israel	274.5
Economic assistance territories	to Portugal	and its	25.0
Disaster and famine	relief		40.0
Aid for resettlement refugees	t of Soviet	Jewish	40.0
Grants to American	Schools and	Hospitals	9.0

Each of these amounts is the same as that authorized by the Congress in the Foreign Assistance Act of 1974 enacted last December. Of the totals, \$209 million is already reflected in the 1975 column of the 1976 Budget which the President sent to the Congress last month. It is estimated that these amendments will increase outlays in fiscal years 1975 and 1976 by \$61 million and \$88 million, respectively, over the amounts in the 1976 Budget document.

	1975 Budget	Amendments	1975 Budget Amended	Part of Amendments Included in 1975 Column of 1976 Budget
Security supporting assistance	385,5	(\$ n	nillions)	
Economic assistance to Portugal its territories	l and		660.0	150.0
Disaster and famine relief	-0000000000-	25.0 40.0	25.0	10.0
Aid to Soviet Jewish refugees	-0-	40.0	40.0 40.0	30.0 10.0
Grants to American Schools and Hospitals	_10.0	<u>9.0</u>	19.0	9.0
	395.5	388.5	784.0	209.0

2. What is the President's reaction to the House passed version of the foreign aid appropriation bill for \$3.5 billion? Does he think that this amount is sufficient?

GUIDANCE: The President feels that the amount he has 3/14/75 requested (\$2.5 billion more) is necessary to provide necessary assistance, and he hopes that the Congress will approve the full amount he has asked for.

- 4. What is the Administration's position on the Foreign Aid Bill now being considered on the Hill?
- GUIDANCE: The Administration is, of course, disappointed with the large cuts made in the President's original request and is hopeful that same, if the all, of the funds will be restored on the floor. The President wants a foreign aid bill passed soon to provide needed assistance and to avoid another continuing resolution, and he intends to work with the Congress to this end.

FOREIGN AID BILL

The Senate passed the Appropriation Bill by a vote of 57 to 40 and conferees were appointed. Administration efforts to increase the food and nutrition account by \$100 Million passed by a vote of 52 to 47, however Indochina and military assistance fared poorly. Our efforts to raise the Indochina post-war reconsturction figure from \$440 to \$499 Million was defeated by a vote of 30 to 65. 23 Republicans were among those who voted against the higher figure. The Senate MAP figure of \$450 Million (as opposed to \$490 voted by the House) remains. House and Senate conferees will meet today.

- Q. What is the Administration's position on the Foreign Aid Bill as it goes to conference?
- A. GUIDANCE: The President is, of course, disappointed in the low levels approved for military assistance and Indochina reconstruction. He is hopeful that the highest possible levels will be agreed upon in the conference committee, especially in view of the fact that the countries that will be most affected by the Congress' decision are the very countries that need the aid most urgently.

FOREIGN AID BILL

As the legislation came from the Congress, the Foreign Aid levels were cut from 1/3 to 50% of the President's original request. Among the items slashed were food and nutrition programs.

- Q. What is the Administration's reaction to the Foreign Aid Bill? Will the President sign it?
- A. Since the legislation was just passed yesterday, the President is still studying it.

Although he is pleased that Foreign Aid legislation has finally been passed, he is disappointed by the severe cuts in his request. He feels that the levels are too low to provide the humanitarian and security assistance needed to support our foreign policy objectives.

FOREIGN AID

- Q. Now that the Vietnam war is over, can we expect a "peace dividend" and, if so, of what magnitude?
- A. The recent events in Indochina will, of course, reduce the amount of military and economic assistance required in the region. We anticipate in fiscal year 1975 a net reduction of \$482 million in funding for Indochina, which results from proposed reductions of the Administration's previous emergency requests for Indochina of \$982 million and new requests for assistance to Indochina refugees of \$507 million. Savings are also expected in fiscal year 1976. However, we do not know now exactly how large it will be. An estimate of the size of the 1976 savings depends upon:
 - An assessment of net savings of Department of Defense funds requested in 1976 for Indochina.
 - A reassessment of requirements in other countries in Southeast Asia, as a result of the recent events in that part of the world.
 - The Middle East reappraisal, which was launched last month but which will not be completed for several more months, and
 - Other foreign assistance programs which were held below desirable levels because of Indochina requirements.

FOREIGN ASSISTANCE BILL

<u>Authorization</u> Bill for Humanitarian and Economic Assistance. Included was the Case Amendment, banning the cash sale of technical services to rations objecting to assignment of American Supervisory personnel on the basis of race, religion and national origin.

- Q. Yesterday the Senate Foreign Relations Subcommittee approved a two-year \$2.9 billion Authorization Bill for Humanitarian and Economic Assistance. What is the Administration response to this? What about the Case Amendment?
- A. The Administration is pleased that the Senate Foreign
 Relations Subcommittee has approved for full committee action
 the foreign economic assistance bill and we hope for continuous
 rapid progress on this important legislation. Regarding any
 specific amendments, we would want to review the revisions
 and amendments adopted by the subcommittees before commenting
 further.

(Don't comment on the Case are ndment until we know exactly what it covers.)

FOREIGN AID JUSTIFICATION

- Q: How can we justify providing foreign aid to a wide range of nations -such as Zaire -- while we will not assist our own people at home
 as in the case of New York City? Don't we need a reassessment of
 our own domestic priorities?
- A: The comparison is not a fair one and we are not dealing with an either/or proposition. Secretary Kissinger responded to a similar question in an interview in Time Magazine in which he explained that foreign assistance programs are undertaken for the mutual benefit of the U.S. and the recipient nation. He explained that "we must overcome the idea that when we deal with foreign governments it is a favor that we do them, that we can withdraw without penalty to ourselves."

Our relations with a given country and the means chosen to strengthen them reflect important U.S. interests in each case. It is erroneous to assert an analogy between these enduring interests and unrelated internal issues. The question cannot be posed as a choice between New York City and, say, Israel or any other country.

Ron - hes Q+A is more comprehensive but you may wish & use this one to buttress the other - especially the quotation about the concept of freely aid. Q: How can the United States provide assistance to developing countries when you refuse to provide aid to New York City?

A:

We are not dealing with an either/or proposition; the two are completely different issues. I have made very clear my views with respect to the issue of New York City.

With respect to foreign assistance, we provide such help not as a favor to another country but because we have an important relationship with that country to which aid contributes.

Our relations with any given country and the means chosen to strengthen them reflect important U.S. interests in each case. It is erroneous to assert an analogy between these interests and unrelated internal issues. Thus, we should not see the question as a choice between New York and a foreign country, but rather whether the aid we are providing serves our interests.

FACT SHEET

Section 17 Report on Reduction and Termination of Grant Military Assistance (MAP)

- o Section 17 of the Foreign Assistance Act of 1974 requires that the President submit to the first session of the 94th Congress, a "detailed plan" for the "reduction and eventual elimination of the present military assistance program."
- o The President responded to this requirement by forwarding a report to Congress on January 19.
- In his report, the President <u>stressed</u> the need for <u>constancy</u> and <u>continuity</u> in U.S. foreign policy and pointed out that we must continue to meet through grant assistance, the legitimate security requirements of countries who cannot shoulder the full burden of their own defense.
- In recognition of the exact sense of Congress, the President said he had reexamined the policies, purposes and scope of the military assistance program with a view to reducing or terminating country programs which were no longer essential.
- As a consequence of this review, the FY 1977 military assistance budget request will reflect a 28 percent reduction of 1976 requests; the termination of grant materiel assistance to Korea and elimination of five small grant programs in Latin America.
- o The President foresaw additional reductions and program terminations in FY 1978 in the absence of unfavorable security or economic developments in the countries concerned.
- At the same time the President pointed to the necessity of offsetting increases in foreign military sales credits to meet the legitimate needs of our friends and allies.

FY'77 FOREIGN AID LEGISLATION

- Q. Gwertzman (New York Times) carries a story today saying that the White House will ask for a billion dollar cut in foreign aid over last year's Administration request of \$8.8 billion.

 Why is the Administration cutting its request for FY '77 and how will this affect the programs of security assistance recipients?
- A. The Administration is in the process of briefing the Congress on its FY'77 foreign aid request. The President feels that his request is fully adequate to meet the security and supporting assistance needs of our foreign aid recipients and is also consistent with the realities of our current economic situation.
- Q. How does the "transition quarter funding fit into all of this? Can you explain the President's policy on transition quarter funding?
- A. The decision on whether or not to provide transition quarter funding will be made in conjunction with a review of the FY '76 requests. The President has said he does not favor transition quarter funding (because it is not necessary), but would not object to the funding if it were apportioned to all assistance recipients on an equal percentage basis.

SENATE VOTE ON FOREIGN AID

- Q. Yesterday the Senate passed 52 to 31 a 6.4 billion foreign aid appropriation bill for the 15 months ending September 30. What is the Administration reaction to the legislation?
- A. We have serious problems with several aspects of the legislation. We are very concerned about the low levels of funding for the Military Assistance Program (MAP funding was cut from \$423 to \$225 million). We are concerned additionally about the provision of more than \$600 million for transition quarter funding (\$550 million of which is for Israel). This amount would vastly exceed the Administration budget request. We are consulting with the Congress and we hope that this appropriation legislation can be improved in conference.
- Q. Are you giving any thought to a veto?
- A. At this stage, I think we will just have to wait to see what evolves in conference.

FOREIGN MILITARY AID BILL PASSES THE HOUSE 225-140

- Q: What is the Administration's reaction to the House-passed foreign military aid bill? Is this legislation more acceptable to the President?
- A: We are pleased that the House has acted on a revised foreign assistance bill. The Senate has yet to complete action on its version of legislation so until the legislative process is completed,

 I think we will have to await the final version.
- Q: What revisions in the House version are still unacceptable to the President?
- A: I would prefer not to get into a specific breakdown of the various provisions. The Senate has not completed its bill and I think we should await the conference process to see what emerges.

 The House bill does have fewer restrictions on the President's executive authority, and we would hope that the final version will be an acceptable bill the President can sign.
- F.Y.I.: We don't want to get into specifics at this point, but you can say that the Derwinski amendment removing a ceiling on aid to Korea passed 241-159. The House-legislation maintains some restrictive provisions on arms transactions and on nations perceived to be violating the human rights of its citizens.

FOREIGN ASSISTANCE ACT

- Q: What is the President's reaction to the recently amended Foreign Assistance Act? Will he veto it?
- A: We of course have not had a chance to study the bill in its final version and would reserve comment until such time as we have a considered position.

FOREIGN ALD BILL

As the legislation came from the Congress, the Foreign Aid levels were cut from 1/3 to 50% of the President's original request. Among the items slashed were food and nutrition programs.

- Q. What is the Administration's reaction to the Foreign Aid Bill? Will the President sign it?
- A. Since the legislation was just passed yesterday, the President is still studying it.

Although he is pleased that Foreign Aid legislation has finally been passed, he is disappointed by the severe cuts in his request. He feels that the levels are too low to provide the humanitarian and security assistance needed to support our foreign policy objectives.

FOOD ASSISTANCE INCREASE

- Q: How do you reconcile a \$1.47 billion food aid program with your efforts to hold down the budget?
- A: I based my decision to provide increased food assistance on several factors:
 - -- We need to help the desperate food needs of a number of developing countries. Seventy percent of our food aid will go to the countries most seriously affected by food shortages.
 - -- Our food assistance also helps other nations with whom we have close political and economic relations.
 - -- The United States has adequate amounts of food to provide this assistance without adversely affecting U.S. domestic supplies or U.S. prices.

My position on holding down the budget is clear. I am strongly opposed to excessive government spending. But America has important international responsibilities -- and many nations have critical food needs. We have the capacity to respond positively. I am convinced -- as are, I believe, most Americans -- that from a humanitarian point of view and from the point of view of our national interest, that this is the right thing to do.

[FYI: We are still consulting with the Congress on the interpretation of Congressional limits on PL-480 (the Humphrey Amendment). As soon as these are completed we will have a precise country-by-country allocation.]

World Food Assistance

- Q: Recently there has been criticism of the slowness in PL-480 shipments. While the food aid level you announced was very high, many people have argued that the U.S. will be unable to ship the amounts called for under your program. What is the situation?
- A: We are making every effort to facilitate the shipment of PL-480.

 Over one-third of the grain allocated has already been purchased and shipped. Over 60% of the food grains set aside for assistance to the needlest countries has been purchsed and shipped. We have put high priority on the poorest nations of the world, including those countries suffering from dire hunger and drought. We are hopeful and we will continue to make every effort to ensure that all of the food allocated under this program arrives at its various destinations.

FOOD ASSISTANCE INCREASE

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[FYI: This year the amount allocated for commodity purchase under PL-480 is \$1.470 billion -- an increase of \$171 million over the figure in the FY 75 budget. This should cover over 5.5 million tons of food grains -- largely wheat and rice. This compares with 3.3 million tons last year.] The total amount of our overall PL-480 program is \$1.6 billion, shipping accounting for the difference in figures.

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- Q. Why is the President submitting a request for additional funds for foreign nations when the domestic economic situation is of sufficient degree of seriousness to require a cut-back on food stamps?
- Each of the amounts in the request is the same as that A. authorized by the Congress in the Foreign Assistance Act of 1974, and reflects the desires of the Congress to render assistance in these critical areas. The funds for Israel will contribute to the continuing efforts to attain peace in the Mideast, while the refugee relief funds serve obvious humanitarian Economic assistance to Portugal serves U.S. interests in a nation under considerable internal stress, but which is one of our NATO allies. The small sums for American schools and hospitals also serves both our humanitarian interests and assists in projecting the true image of the United States in areas where the interests of our citizens will be well served by Together, this addition to the budget will help accomplish some of the long-term aims of U.S. foreign policy which will contribute to the betterment of the domestic economic

- Q. What will the \$40 million in disaster and famine relief be used for?
- A. Of the \$40 million request, \$25 million is earmarked for assistance for relief of refugees on Cyprus. This aid is important to meeting humanitarian needs on that island as a solution to its difficult problems is sought. The remaining funds will be available to meet world-wide disaster relief needs. The bulk of the \$25 million for Cyprus will aid Greek Cypriot refugees who are in dire need of help.

- Q. Why are we providing funds to American schools and hospitals abroad?
 - A. The \$9 million amendment will increase this 1975 program to a total of \$19 million, the amount authorized by the Congress in the Foreign Assistance Act of 1974.

These grants go to a number of schools and hospitals abroad founded or sponsored by American citizens and serving as centers for the study and demonstration of U.S. practices. The additional funds will help relieve the problem of rising costs and will permit aid to additional institutions.

2. What is the President's reaction to Senate passage of the Poreign Assistance Bill yesterday?

Guidance:

While the bill contains a number of amendments which we do not consider in the national interest, we are pleased at the efforts of Sen. Humphrey and and and and the bill does represent responsible action.

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The President want call on the House of Representatives to consider carefully their actions next week in hopes of early enactment of acceptable legislation.

What does the President mean by saying that the bill does not contain everything he had hoped for What specific items were not in the aid package?

Guidance: The Administration believes that the funding authority, for example, assistance to Indochina, is inadequate. We will continue our efforts with members of Congress in hopes of improving the situation. Congress is aware of the Administration views on these amendments. I don't think we need go into a shopping list.

What efforts will the President take?

Guidance: I am referring to the President's continuing dialogue with members of Congress.

3. Do you have any comment on the New York Times Editorial today asking about the delay of the Presidential decision on emergency food assistance?

Consideration we are prepared to make an announcement at this time. I do expect an announcement soon. I can assure you that the Administration wants to do everything humanly possible to ensure that the U.S. contribution is responsive to the great need in the world. At the same time we want to, along with the other nations of the world, press ahead vigorously with the implementation of the World Food Conference's decisions.

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re Enterprise" "Notthing 6 it."

1. What is the President screaction to House passage of a \$2.6

Guidance: The President is of course pleased that the House did pass a Foreign Assistance bill before the end of this session. However, there are certain provisions and funding levels within the bill which the President does not consider in the best national interest. He does hope that the Conference Committee will work out a more acceptable bill. I would refer your detailed questions on this matter to the Department of State.

Do you have any comment on reports of criticism from Q: Congressional members of the U.S. delegation to the World Food Conference that they are serving merely as window dressing and that the U.S. position has been weakened by not announcing a specific increase in U.S. food aid?

> Guidance: I would have no comment on such reports. Secretary Kissinger made an extensive and clear statement of U.S. policy in his opening speech. Secretary Butz is continuing to speak for the U.S. delegation in Rome. One of the elements of this program is an increase in U.S. food aid but, as you know, we have been unable to make specific commitments until further information , DISCUSS is known on total U.S. crop production this year. The AMOUNTS MORE important thing to focus on is the U.S. readiness to increase its assistance to the fullest degree possible.

You should not be drawn into a discussion of whether an increase in food assistance means only more dollars due to inflated prices, or whether it means an actual increase in quantities of food.

SPECIFIC

4. Can you confirm reports that Secretary Butz has requested permission of the President to announce a doubling of U.S. food aid to the World Food Conference?

Guidance: The Administration position has been stated by Secretary Kissinger on November 5 that the US would increase its food aid contribution. However, as I said last Friday we are not able at this time to discuss specific figures related to this assistance until we have more information on US crop availabilities this year. (You strictly should not be drawn into any discussion of whether an increase in food assistance would be an actual increase in the amount of food or only a dollar increase due to inflated costs.)

FYI: Butz was asked yesterday if the 200,000 ton US grain sale to Egypt would cause an increase in US grain prices. If asked you should reply that this sale will not increase US grain prices as the sale is too small to affect the US price.

L. Do you have any comment on the amendment to the Foreign Assistance Bill which would delay the transferring of military aid to South Vietnam from the Pentagon budget to the Foreign Assistance Bill until July 1976 instead of July 1975.

Guidance: My understanding of the Senate version of the Foreign Assistance bill is that military assistance to South Vietnam would remain in the Pentagon budget until July 1976. We are of course pleased at the wisdom of this action by the Senate and believe that it facilitates the best management of our assistance to South Vietnam.

FYI ONLY: Since 1966 military assistance to South Vietnam has been managed by Defense and not AID. The reasoning is that AID is essentially an economic assistance program manager and wasn't equipped to handle a major war effort which was more properly handled by Defense. The post-Vietnam War argument was to switch the program back to AID since the war is over. The problem is that the program is still a \$1 billion program and won't be wound down for another year, legally under the Paris Agreement. Therefore the assistance should be more properly handled by Defense, for one more year. ENDFYI.

6. Foreign assistance has come under increasing attacks as a cause and a source of support symptom of imnecessary involvement overseas and a source of support for undemocratic regimes. Congress has cut funding levels and reatricted your powers. Do you think you can get the mutually acceptable foreign aid legislation you have called for when Congress returns?

Guidance: Yes. We know that it is foreign assistance foreign assistance grows more unpopular in times of economic problems when the foreign aid dollar to protect our interests abroad seems to compete with the need for dollars for domestic projects. However, the President will do what every President has always had to do: try to find the common ground on issues, try to forge agreement, and to articulate the interests of all the people rather than of various areas and constituencies.

4. Why has roote the declaned from 18 million tons in the early 1960's

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Guidance: We no longer have the huge grain stockpiles that were the result of earlier argicultural policies. This year, as last year, not only has the stockpile been depleted, but adverse weather conditions have reduced available supplies. At the same time, rising incomes and population throughout the world, in addition to the devaluation of the dollar, have greatly increased the demand for food from the United States. Sec. Kissinger pointed out at the World Food Conference that the US intends to increase its food aid contribution and to do everything humanly possible to assure that our future contribution will be responsive to growing needs. Of Course, Computer well forced

HUMAN RIGHTS

- Q: Do you think the U.S. Government should be supporting dictatorships around the world and giving them military and economic aid which enables them to survive and to continue to oppress their people?
- A: Our economic aid is meant to promote economic development.

 Our military aid is given to enable countries to withstand aggression and to preserve their independence from outside domination, or to enable countries with which we are allied to fulfill their common defense obligations.

We would of course prefer to see democracies everywhere. However, if we had relations only with countries like our own, we would have no political relations with most of the rest of the world. We will work for human rights in international forums and wherever our influence can have an effect. Meanwhile, our assistance relationships with friendly countries are meant to serve the needs of our diplomacy, international security, and peace.

WORLD FOOD PROBLEM

- Q: What is the United States really doing to help meet the world food crisis? Why have you not responded to the call in Rome for greatly expanded US food aid?
- A: As I said at the United Nations, the United States recognizes
 the special obligation we bear because of our extraordinary
 agricultural productivity, advanced technology and our tradition
 of humanitarian assistance. The American people have a
 deep and enduring commitment to help feed the starving and
 the hungry. That is why we proposed a World Food Conference
 and we are determined to make a contribution equal to the
 magnitude of the problem.

We are convinced that an international cooperative response to the problem of food is essential to the kind of world we seek. Secretary Kissinger has put forth comprehensive US proposals in Rome and our delegation there is taking a highly constructive approach to this problem. Our proposals are designed to help the world community to organize itself to cope with the global problem of agriculture.

The immediate problem is how to make drastically reduced supplies go around. The United States will increase its food aid contribution despite the effects of the adverse weather

conditions this year. The food component of the Wholesale Price Index increased 4.6% in October. We have to be concerned about these kinds of price increases. We are reviewing now our crop availabilities and we will make our commitments on a quarterly basis to avoid compounding our own inflation problems.

We will do everything humanly possible to insure that our contribution is responsive to the growing needs.

The approach outlined by Secretary Kissinger seeks impact in five major areas:

- increase in production by food exporters
- -- acceleration of production in developing countries
- improving means of food distribution and financing (with particular emphasis on assuring greater contribution by major oil exporters)
- -- enhancing food quality to improve nutrition
- -- ensuring security against emergencies

FOREIGN ASSISTANCE LEGISLATION

- Q: In view of the difficulties of the Administration in getting an acceptable Continuing Resolution for foreign assistance before Congress adjourned, how do you evaluate your chances of getting an acceptable bill after Congress returns?
- A: I regard the Foreign Assistance Act as a cornerstone of US foreign policy, and as something which both Democrats and Republicans have an equal interest in supporting. I know the reservations of many Congressmen on different parts of the legislation and I intend to make special efforts to reassure the critics of the bill of the purposes it will serve, and the importance of the ends it will accomplish. I believe it will be possible to agree on an acceptable bill.

WORLD FOOD CONFERENCE

Q: The United States took the lead in calling for the World Food Conference. Do you think the Conference has satisfied your objectives? What further steps do you think the U.S. should take to ease world hunger?

A: I am pleased with the progress that was made toward achieving the goals expressed in Secretary Kissinger's speech in Rome. As you know, we are working to alleviate hunger on both a short term and a long term basis. Our food aid shipments are being maintained at the highest possible level in the face of an unusually bad crop year. On a long term basis we are encouraging increases in production here and abroad, especially in the LDC's. In addition, work has begun on a structure designed to cope with the world agricultural problem.

Food Assistance Increase

- Q: What amount of PL-480 food aid will the US provide this year? How do you reconcile a large food aid program with your efforts to hold down the budget?
- A: The US will provide nearly \$1.5 billion [\$1.47 billion] in food aid this year. I based my decision to provide this amount on several factors:
 - •• We need to help the desperate food needs of a number of developing countries. Seventy percent of our food aid will go to the countries most seriously affected by food shortages.
 - -- Our food assistance also helps other nations with whom we have close political and economic relations.
 - The United States has adequate amounts of food to provide this assistance without adversely affecting US domestic supplies or US prices. My position on holding down the budget is clear.

 I am strongly opposed to excessive government spending. But America has important international responsibilities and many nations have critical food needs. We have the capacity to respond positively. I am convinced as are, I believe, most Americans that from a humanitarian point of view and from the point of view of our national interest, that this is the right thing to do.

 FYI: We are still consulting with the Congress on the interpretation

of Congressional limits on PL-480 (the Humphrey Amendment). As soon as these are completed we will have a precise country-by-country allocation.

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EXECUTIVE BRANCH POSITION

Foreign Aid Appropriations Bill

General

- --Although the Senate Appropriations Committee version of H.R. 4592 is \$2,082,123,927 less than the President's budget estimate--a reduction of 35%--the Executive Branch strongly urges support of the bill and a favorable vote on passage.
- --Projects will have to be cut, and other programs reduced, but the Executive Branch welcomes the return to operations under full legislation rather than a continuing resolution.
 - -- Nevertheless, two critical areas require amendment.

Food and Nutrition

- --The Food and Nutrition cut of \$150,000,000--a reduction of 30%--is one the United States, and the World, cannot afford. Our efforts to assist in this first priority of the developing world will be severely retarded.
- --We must deliver on the commitment of the American people made at the World Food Conference.
- --An amendment of \$100,000,000 is required--to raise the Food and Nutrition level to \$450,000,000.

Military Assistance (MAP)

- ---\$408 million is already obligated or reserved under the continuing resolution, which provides funding at a rate of \$550 million.
- -- The Administration's efforts to achieve a settlement in the Middle East will be seriously hampered since the planned \$100 million program for Jordan cannot be met.
- --It will not be possible to re-establish a program for Turkey which would provide a possible incentive for the resolution of the Cyprus conflict.
- --All planning for remaining programs, based upon the \$550 million current rate under the continuing resolution and the \$600 million authorized by the Congress, would be severely disrupted. The level of \$450 million would require a one-third reduction in programs in support of foreign policy and security objectives. The injury to these important U.S. interests would far outweigh any benefit from the proposed cut.
- --An amendment of \$100,000,000 is required--to raise the Military Assistance level to \$550,000,000.

SUBJECT: Administration Attitude Regarding Cambodian Aid Pill

Compromise

QUESTION: Is the Administration now ready to accept a compromise

bill on Cambodia aid, which includes a cut-off date of

June 30?

ANSWER: No. The Administration's view has not changed with reference to the issue of a cut-off provision of June 30. There are many reasons for opposing the cutoff. It's most obvious effect -- to remove any incentive for the enemy to negotiate -- should be clear to everyone. Nevertheless, I feel very strongly that the whole Congress should be permitted to consider the vital issue of aid to Cambodia. Thus, I believe that the bill ought to be permitted to come to the floor of the House for

favorably report the bill -- including the Hamilton-Dupont Amendment

a vote. Therefore, I feel it would be most helpful if the Committee would

if necessary -- in order to provide an opportunity for both debate and

amendment on the floor.

QUESTION: So you are in effect overruling Mr. Ingersoll's opposition to the Hamilton-Dupont Amendment expressed last Thursday

before the House Foreign Affairs Committee.

ANSWER: That is not the case. As I have already indicated, the Administration continues to oppose a cut-off provision. When Mr. Ingersoll took that position last Thursday, it was at the Committee's initiative that the bill was voted down. It is in view of that action that I have now asked the Committee to reconsider the measure, and report it out, so that the entire House membership can debate this vital issue.

BUDGET IMPACT OF AID REQUESTS

- Q: How can you justify the huge outlays for aid to Israel and other countries in view of the President's action in cutting domestic programs to the bone?
- A: Our foreign aid budget has declined over the years also. It is now at a minimum level which serves important, and specific, foreign policy needs. We have gone over this budget very carefully and believe that every specific part of it is justified and necessary.

FOREIGN POLICY ACCOMPLISHMENTS

- Q: Mr. President, in your most recent press conference you reflected on the foreign policy accomplishments of your administration and the preceding Nixon administration. What would you characterize as distinctive about the last seven years, and how will you approach the decisions you must make in the days ahead?
- A: When I took office, I underscored the continuity of foreign policy to be expected in my administration—a foreign policy based on close consultations with our friends and continued negotiations with our competitors aimed at producing a more peaceful, more stable world.

These are times of immense challenge for the United States.

The international issues we face--strategic, political, economic, energy--are extraordinarily complex. Any action by this great country is inevitably felt by many other countries, and this is a consideration I must bear in mind in the decision-making process. If there is a distinctive quality to my foreign policy, I would say it is my total commitment to working with our friends and allies to safeguard and advance U.S. interests and our common interests as part of a broader effort toward mutually beneficial cooperation with all countries. As President, I approach this process working first and always to develop a full appreciation of the fundamental interests of the United States, relating our interests to those of our friends, and in that context addressing the foreign policy issue at hand.

The course which our country chooses in the world today has never been of greater significance for ourselves as a Nation and for all mankind. We build from a solid foundation. Our alliances with

great industrial democracies in Europe, North America and Japan remain strong with a greater degree of consultation and equity than ever before.

With the Soviet Union we have moved across a broad front toward a more stable, if still competitive, relationship. We have begun to control the spiral of strategic nuclear armaments. After two decades of mutual estrangement, we have achieved a historic opening with the People's Republic of China.

In the best American tradition, we have committed, often with striking success, our influence and good offices to help contain conflicts and settle disputes in many, many regions of the world.

We have, for example, helped the parties of the Middle East take the first steps toward living with one another in peace. We have opened a new dialogue with Latin America, looking toward a healthier hemispheric partnership.

We have exercised international leadership on the great new issues of our interdependent world, such as energy, food, environment and the law of the sea.

The American people can be proud of what their Nation has achieved and helped others to accomplish these past seven years.

As Chief Executive I will continue to address the foreign policy interests of the United States in terms of the interests of all Americans, and I will continue to work with both sides of the aisle in the Congress in the pursuit of these most important interests.

"Sec. 660. Prohibiting Police Training.—(a) On and after July 1, 1975, none of the funds made available to carry out this Act, and none of the local currencies generated under this Act, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other law enforcement forces for any foreign government or any program of internal intelligence or surveillance on

behalf of any foreign government within the United States or abroad.

"(b) Subsection (a) of this section shall not apply—

"(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States, or with respect to assistance authorized under section

482 of this Act; or

"(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.

Notwithstanding clause (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment."

(b) Section 112 of the Foreign Assistance Act of 1961 is repealed.

REIMBURSABLE DEVELOPMENT PROGRAMS

Sec. 31. The Foreign Assistance Act of 1961 is amended by adding

at the end of part III the following new section:

"Sec. 661. Reimbursable Development Programs.—The President is authorized to use up to \$1,000,000 of the funds made available for the purposes of this Act in each of the fiscal years 1975 and 1976 to work with friendly countries especially these in which United States work with friendly countries, especially those in which United States development programs have been concluded or those not receiving assistance under part I of this Act, in (1) facilitating open and fair access to natural resources of interest to the United States and (2) stimulation of reinbursable aid programs consistent with part I of this Act. Any funds used for purposes of this section may be used notwithstanding any other provision of this Act."

INTELLIGENCE ACTIVITIES AND EXCHANGES OF MATERIALS

SEC. 32. The Foreign Assistance Act of 1961 is amended by adding

at the end of part III the following new sections:
"Sec. 662. Limitation on Intelligence Activities.—(a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives.

"(b) The provisions of subsection (a) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers

by the President under the War Powers Resolution.

"Sec. 663. Exchanges of Certain Materials.—(a) Notwithstanding any other provision of law, whenever the President determines it is in the United States national interest, he shall furnish assistance under this Act or shall furnish defense articles or services under the Foreign Military Sales Act pursuant to an agreement with the recipient of such assistance, articles, or services which provides that such recipient may only obtain such assistance, articles, or services in exchange for any necessary or strategic raw material controlled by such recipient. For the purposes of this section, the term 'necessary or strategic raw material' includes petroleum, other fossil fuels, metals,

minerals, or any other natural substance which the President determines is in short supply in the United States.

"(b) The President shall allocate any necessary or strategic raw material transferred to the United States under this section to any appropriate agency of the United States Government for stockpiling, sale, transfer, disposal, or any other purpose authorized by law.

"(c) Funds received from any disposal of materials under subsection (b) shall be deposited as miscellaneous receipts in the United States Treasury."

WAIVER OF PROHIBITION AGAINST ASSISTANCE TO COUNTRIES ENGAGING IN CERTAIN TRADE OR SHIPPING

Sec. 33. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section: "Sec. 664. Waiver of Prohibition Against Assistance to Countries Engaging in Certain Trade.—Any provision of this Act which prohibits assistance to a country because that country is engaging in trade with a designated country, or because that country permits ships or aircraft under its registry to transport any equipment, materials, or commodities to or from such designated country, may be waived by the President if he determines that such waiver is in the national interest and reports such determination to the Congress.

POLICY WITH RESPECT TO INDOCHINA

Sec. 34. (a) The Congress finds that the cease-fire provided for in SEC. 34. (a) The Congress and that the cease-are provided for in the Paris Agreement on Ending the War and Restoring Peace in Vietnam has not been observed by any of the Vietnamese parties to the conflict. Military operations of an offensive and defensive nature continue throughout South Vietnam. In Cambodia, the civil war between insurgent forces and the Lon Nol government has intensified, resulting in widespread human suffering and the virtual destruction of the Cambodian according

of the Cambodian economy.

(b) The Congress further finds that continuation of the military struggles in South Vietnam and Cambodia are not in the interest of the parties directly engaged in the conflicts, the people of Indochina or world peace. In order to lessen the human suffering in Indochina and to bring about a genuine peace there, the Congress urges and requests the President and the Secretary of State to undertake the

following measures:

(1) to initiate negotiations with representatives of the Soviet Union and the People's Republic of China to arrange a mutually agreed-upon and rapid de-escalation of military assistance on the part of the three principal suppliers of arms and material to all Vietnamese and Cambodian parties engaged in conflict;
(2) to urge by all available means that the Government of the

Khmer Republic enter in negotiations with representatives of the

FOREIGN AID IN GENERAL

- Q: Mr. President, in the post-Vietnam era foreign assistance has come under increasing attack as a cause and symptom of unnecessary involvement overseas and a source of support for undemocratic regimes. Congress has cut funding levels and restricted your powers. You have vetoed two temporary bills and accepted a third only very reluctantly. Do you think you can get the mutually acceptable foreign aid legislation you have called for?
- A: Yes, I do. I know that in Congress foreign assistance grows
 more unpopular in times of economic problems, when the
 foreign aid dollar to protect our interests abroad seems to
 compete with the need for dollars for domestic projects.

 However, I will do what every President has always had to do:
 try to find the common ground on issues, try to forge agreement,
 and to articulate the interests of all the people rather than of
 various areas and constituencies.

In the past whenever we have had to take in our belts at home there has been a rush to cut back on our programs abroad -- to isolate ourselves. This is understandable, but in today's world it is dangerous.

Nothing has demonstrated our interdependence with other countries and their reliance on American leadership and cooperation than the shortages we are facing in food

and energy. For many nations, without the help made available by our foreign aid, there would be starvation and sickness. We cannot ignore these needs for if they go untended they will only worsen and spread. There can be no doubt that America's interests lie in helping countries in need to help themselves.

We spend less than 1/2 of 1% of our Gross National Product on foreign aid. Surely this is a small price to pay for the difference between life and death to many people.

Apart from our food programs our assistance goes to enable friendly countries to defend themselves so that we will not have to do it for them.

I am going to continue the process of reducing our direct involvement in the defense of friends around the world without jeopardizing either their security or our own. Foreign aid contributes to this process and I believe there is broad support in Congress for this policy.