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ENERGY AND  
TRANSPORTATION

ISSUE: Airline Transportation

Administration Position

As outlined in Secretary Coleman's Statement of National Transportation Policy on September 17, 1975, the Administration has developed proposals to "ascertain the optimal domestic industry size and route structure to serve the Nation's interest . . . and to enable healthy competition . . . to modernize Federal financing policy . . . and to update the current policies for airport planning and financing."

Administration Actions

The Administration has endorsed a seven-point program to assist U.S. international airlines to compete more effectively with subsidized foreign carriers.

The President, on March 17, 1975, submitted new Airport and Airways Development legislation to increase and improve the financing and planning of airport facilities and to provide more equitable collection of aviation user charges.

The Administration, on August 19, 1975, advocated to CAB the direct pass-through of energy costs in setting airline fares.

The President identified the need for modernizing airline regulation and financing policies as part of his State of the Union Message on January 15, 1975, and again in a speech before the White House Conference on Domestic and Economic Affairs at Concord, New Hampshire, on April 18, 1975.

11/6/75



ISSUE: Capital for Major Energy Projects

Administration Position

President Ford said on September 22, 1975: "We will need over \$600 billion of energy investments over the next decade to finance American energy independence. As always, most of that investment will come from private sources. But I am convinced that we cannot wait for our emerging technologies to become conventional technologies. We must act now to speed their development. We must also ensure that conventional projects with very large capital needs will have adequate access to investment resources."

Administration Action

Submitted legislation to extend utility investment tax credit of 10 percent for two more years.

Proposed legislation to authorize ERDA to provide incentives for development of synthetic fuels technology.

- \$6 billion for loan guarantees
- \$4.5 billion for price guarantees
- \$600 million for construction grants

Proposed legislation establishing the Energy Independence Authority (EIA) to finance major energy projects.

- EIA has equity of \$25 billion, borrowing authority of \$75 billion
- Administered by five-member board appointed by the President
- EIA will be liquidated by 1985

GRS  
11/6/75

ISSUE: Energy Independence Authority

Administration Position

President Ford said on September 22, 1975: "I will propose an entirely new \$100 billion Government corporation to work, with private enterprise and labor, to gain energy independence for the United States in ten years or less.

"This Energy Independence Authority will have the power to take any appropriate financial action to borrow and to lend -- in order to get energy action. It will serve as a catalyst and stimulant, working through -- not in place of -- American industry."

Administration Actions

The President submitted legislation to Congress on October 10, 1975, to create the Energy Independence Authority (EIA). This covered the following:

- EIA will be a government corporation to help achieve energy independence by providing loans, loan guarantees, price guarantees, or other financial assistance to private sector energy projects.
- EIA will have financial resources of \$100 billion, consisting of \$25 billion of equity and \$75 billion of debt.
- Funds to be used only for projects that will contribute directly to energy independence, and that would not be financed without government assistance. Examples are:
  - synthetic fuel technology commercialization, other emerging technologies (solar energy, geothermal, etc.) and conventional technologies (uranium enrichment, coal, and nuclear power plants, etc.)
- EIA would have a five person Board of Directors appointed by the President
- EIA would terminate on or before June 30, 1986.

GRS  
11/6/75

ISSUE: Energy Related Activities

Administration Position

Secretary Coleman's Statement of National Transportation Policy on September 17, 1975, said: "Energy conservation is a national imperative and has become a major factor in transportation decisionmaking. As a major consumer of energy, transportation must participate substantially in energy conservation programs and must increase the efficiency with which energy is used. Secondly, as part of the Nation's energy supply infrastructure, transportation must provide an efficient energy distribution network."

Administration Actions

The Department of Transportation has issued regulations requiring urbanized areas to develop energy conservation and operating efficiency programs as a prerequisite for receiving Federal mass transit assistance.

The Administration has endorsed the 55 mph speed limit to improve efficiency of automobile operations.

The Department of Transportation has initiated proposals for the possible electrification of railroad rights-of-way, and increase in load factors within the airline industry.

The Department of Transportation, Environmental Protection Agency and the National Transportation Safety Board have worked jointly on new automobile designs to, among other things, achieve greater fuel economy.

The Administration has coordinated a voluntary joint industry-government automobile fuel economy improvement program that should achieve 40 percent fuel economy improvement by 1980.

The Federal Aviation Administration is implementing a seven-point program for jet fuel conservation.

SGM

11/6/75

ISSUE: Highway Program

Administration Position

The President said in a message to the Congress on July 7, 1975: There is a need to "refocus the Federal attention on the Interstate System, which is clearly of national significance, and to provide flexible aid for other highway construction in a manner which fully respects State and local decisionmaking roles."

Administration Actions

The President in January 1975, signed the Highway Amendments of 1974, adding approximately \$500 million for rural highways and providing for selected program restructuring.

The President on June 5, 1975, signed H.R. 3781, the Federal-Aid Highway Land Bill to provide States with greater flexibility in the use of Federal-Aid highway funds, and to enable them to defer temporarily their matching share for certain projects.

The President on July 7, 1975, sent to the Congress proposals for renewing and revising the Federal-Aid Highway program. Emphasis was put on completing the Interstate System and providing greater flexibility in State and local transportation decisions.

The President in February 1975, released an additional \$2 billion in highway construction funds to stimulate employment in the construction industry.

SGM  
11/6/75

ISSUE: Railroads

Administration Position

The President stated in a message to the Congress on May 19, 1975: "The rail problem has been neglected too long and the desperate condition of the industry is indicative of this neglect. We must begin at once a major and massive initiative to restore the vitality of this essential industry. I have established for this Administration a goal that calls for the complete revitalization of the Nation's railroad system so it can serve the needs of modern America. We are moving forward with a program to assure a healthy, progressive rail system."

Administration Actions

Regarding rail freight:

The President, on March 5, 1975, charged Secretary of Transportation Coleman with need to move ahead on the railroad improvement program as one of the Nation's transportation priorities.

President Ford, on May 19, 1975, submitted to the Congress the Railroad Revitalization Act to: (a) reform the economic regulatory structure; (b) provide \$2 billion in loan guarantees to rehabilitate deteriorated plant, equipment and facilities; and (c) encourage restructuring of the railroad system along more rational and efficient lines.

Administration has supported the Second Regional Rail Reorganization Act, Amendments of 1975, in an effort to revitalize the railroad system in the Northeast and Midwest.

Regarding rail passengers:

The President on October 29, 1974, signed the Amtrak Improvement Act of 1974 to continue Federal financial support and help.

The President, on May 26, 1975, signed the Amtrak Improvement Act of 1975 to: (a) establish a multi-year commitment of Federal support to intercity rail passenger service, enabling long-term planning and investment; (b) establish a firm limit on that multi-year commitment to ensure prudent investment and economical use of resources..

The President has endorsed a five-year \$1 billion program of maintaining and improving Northeast Corridor passenger service.

11/6/75

ISSUE: Regulatory Reform in Transportation

Administration Position

The President stated on April 18, 1975: "To deal with the inefficient and inequitable regulation in the transportation industry, I will send to the Congress a comprehensive program of regulatory reform which will promote competition by allowing greater price flexibility, greater freedom of entry and by reducing the power of Government agencies to grant antitrust immunity."

Administration Actions

The President, on November 18, 1974, proposed to the Congress establishment of a National Commission on Regulatory Reform to examine practices and procedures of the independent regulatory agencies.

The President, on June 25, 1975, held a bipartisan meeting with Congressional leadership to discuss problems and needs relating to Government regulation.

The President, on May 19, 1975, submitted to the Congress his Railroad Revitalization Act containing recommendations for regulatory reform.

The President in October 1975 submitted to the Congress the Aviation Act of 1975 to reform airline regulations.

SGM  
11/6/75

ISSUE: Rural Transportation

Administration Position

Secretary Coleman's Statement of National Transportation Policy on September 17, 1975, said: "Rural transportation programs substantially encourage rural development and growth, help meet the problems of rural poverty by facilitating access to employment, education and better medical services, and insure accessible interstate transportation for our citizens. A rural transportation policy should be coordinated with other Federal efforts in rural development as part of a broader national policy on rural and urban growth."

Administration Actions

The Department of Transportation is implementing a new special rural mass transportation program for which up to \$500 million is authorized through fiscal year 1980.

The President has proposed in the Administration's new highway bill a Rural Transportation Assistance Program which would consolidate several Federal-aid highway categories and give State and local governments increased program flexibility.

The President has proposed a program of partial Federal financial assistance to maintain rural branch rail lines for two years.

SGM  
11/6/75

ISSUES: Transportation Safety

Administration Position

In a report to the Congress on September 4, 1975, the President said with regard to highway safety: "The saving of lives during the past year provides an added incentive for the Government and the Nation to persist in the endeavor to make our vehicles, our highways, and our drivers safer. I am confident that a well-managed program and well-managed use of our resources will continue to have a positive effect in improved highway safety."

In addition, Secretary Coleman's Statement of National Transportation Policy said: "It is the policy of the Department of Transportation . . . to provide the highest practicable and feasible level of safety for people, property and the environment associated with or exposed to the Nation's transportation system."

Administration Actions

The President, on September 4, 1975, sent a Message to the Congress summarizing the results of Federal actions and urging a combination of efforts to improve vehicles, highways and driver skills.

The President, on September 28, 1975, signed S. 355, Motor Vehicle and Schoolbus Safety Amendments of 1974.

The President in November 1974, issued an Inflationary Impact Statement, Executive Order 11820, requiring agencies to evaluate inflationary impacts of regulatory actions and initiatives.

SGM  
11/6/75

ISSUE: Urban Transportation

Administration Position

The President stated on September 9, 1974: "I am dedicated to the revival of efficient transportation in our great urban centers...We must make major progress in improving urban transit.

"There is a legitimate and major role to be played by the Federal Government in assisting urban mass transit systems. But I emphasize here that the role must be carried out in complete and total partnership with States and localities."

Secretary Coleman's Statement of National Transportation Policy said: "Federal policy for urban transportation should at once respond to locally determined transportation goals and serve such national objectives as the enhancement of our cities as vital commercial and cultural centers, control of air pollution, conservation of energy, access to transportation for all citizens and particularly the disadvantaged, facilitation of full employment and more rational use of land."

Administration Actions

The President, on November 26, 1974, signed the National Mass Transportation Assistance Act of 1974 which provides a six-year, \$11.8 billion program of financing and planning assistance. The President was directly involved in development of the Act.

The President met with large city Mayors on October 1, 1974, to gain support for the National Mass Transportation Assistance Act.

On September 9, 1974, the President addressed the Sixth International Conference on Urban Transportation in Pittsburgh. The address emphasized the need to build an attractive public transit alternative to the automobile and, thereby, help alleviate problems of congestion, pollution and excessive energy consumption.

The President has proposed transfer provisions in the 1975 Federal Aid Highway Bill that would enable highway funds to be used for public transit purposes.

11/6/75

GENERAL GOVERNMENT

ISSUE: Bicentennial

Administration Position

The President stated in November, 1975: "July 4, 1976, marks the beginning of our third century as an independent nation and the 200th anniversary of the American revolution. For two centuries our Nation has grown, changed and flourished. A diverse people, drawn from all corners of the earth, have joined together to fulfill the promise of democracy.

"America's Bicentennial is rich in history and in the promise and potential of the years that lie ahead. It is about the events of our past, our achievements, our traditions, our diversity, our freedoms, our form of government and our continuing commitment to a better life for all Americans. The Bicentennial offers each of us the opportunity to join with our fellow citizens in honoring the past and preparing for the future in communities across the Nation. Thus, in joining together as races, nationalities and individuals, we also retain and strengthen our traditions, background and personal freedom.

"As we lay the cornerstone of America's third century, your very special part in this great national undertaking is most commendable."

Administration Actions

There is a Federal Agency Bicentennial Task Force which is responsible for White House Bicentennial activities.

The Bicentennial belongs to all Americans. Therefore, there is no one theme or program dedicated to the Nation's 200th Anniversary. Instead, there are many programs and activities throughout the Nation -- more than 20,000 at this point. Citizen involvement is encouraged by the President with each doing what he or she thinks is most significant in commemoration of this important period in our history.

Established by the Congress on December 11, 1973, by Public Law 93-179, to recognize and assist Bicentennial programs, the American Revolution Bicentennial Administration is dedicated to the official themes of "Heritage 76," "Festival USA" and "Horizons 76." The agency serves as a focal point for all Bicentennial activities, local, regional, national and international. Through non-appropriated funds produced from the sale of authorized Bicentennial items, ARBA has thus far distributed more than \$10 million to projects and communities.

More than 60 countries throughout the world have announced Bicentennial gifts to the U.S. ranging from special chairs of studies at universities and colleges to a "Sound and Light" Show at Mt. Vernon. The multitude of gifts from Americans presented for the Bicentennial are being accepted on behalf of the Nation and will be displayed appropriately during 1976.

KAR  
11/6/75

ISSUE: Consumer Protection

Administration Position

President Ford said on April 17, 1975: "I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of \$60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving on the underlying structure.

"It is my conviction that the best way to protect the consumer is to improve the existing institutions of Government, not to add more Government."

He said on September 4, 1975: "I am going to veto the bill (Agency for Consumer Protection)."

Administration Actions

1. President Ford on April 17, 1975, asked agency heads to examine the efforts they are now making to represent the consumer in their agencies' decisions and activities and to work with his Special Assistant for Consumer Affairs in improving their efforts. Departmental Consumer Representation plans will be published mid-November in the Federal Register.
2. On July 10, 1975, the President met with the Commissioners of the ten independent regulatory commissions to discuss the importance of regulatory reform and to urge the commissions to increase the representation of consumer interests in the agency proceedings.
3. The President has issued Executive Order 11821 calling on all Executive Branch agencies to conduct inflation impact analysis of all their proposals for major legislation and regulations.
4. On August 11, 1975, the President signed into law the extension of the Council on Wage and Price Stability through Fiscal Year 1977.
5. The President has endorsed the repeal of the fair trade laws which govern many retail prices and prevent consumers from benefiting from discount prices and real competition.

6. The Railroad Revitalization Act and the Aviation Act of 1975 have been submitted to the Congress to increase pricing flexibility, to encourage competition, to produce better service, and to lower costs. A similar proposal relating to trucking companies will be proposed in the near future.
7. The President has resubmitted the Financial Institutions Act which would provide for more competitive returns on savings accounts to small savers and more diversified services to all customers.
8. The President signed into law the Securities Act Amendments of 1975 on June 4, 1975, to abolish fixed commission rates among stockbrokers and to establish a national market system.

KAR  
11/6/75

ISSUE: Energy Research and Development

Administration Position

The President stated on January 15, 1975: ". . . we must develop our energy technology and resources so that the United States has the ability to supply a significant share of the energy needs of the Free World by the end of this century."

Administration Actions

The President signed an Executive Order, effective January 19, 1975, activating the Energy Research and Development Administration (ERDA was authorized by legislation signed by the President in October 1974.)

The President's Fiscal Year 1976 Budget called for spending \$2.1 billion for direct and indirect energy research and development, compared to \$1.6 billion in 1975.

On June 28, 1975, the Administrator of ERDA submitted to the President and the Congress a comprehensive "National Plan for Energy Research, Development and Demonstration" describing work now being funded in whole or part by the Federal Government and work that was being considered for future Federal funding.

The President's Budget and the ERDA Plan call for a balanced effort in cooperation with industry investigating the potential of all promising technological alternatives, including fossil, nuclear fission and fusion, solar and geothermal sources as well as research and development related to energy conservation and minimizing environmental effects of energy production and utilization.

## ISSUE: Nuclear Power Plant Moratorium

### Administration Position

The President said in his State of the Union Address: "I believe in America's capabilities. Within the next ten years, my [energy] program envisions: -- 200 major nuclear power plants . . ."

The President said on June 26, 1975: "The energy consumer also stands to benefit [from expanded use of nuclear power]. The production of nuclear power now costs between 25 and 50 percent less than electricity produced from fossil fuels. It is not vulnerable to the supply whims or unwarranted price decrees of foreign energy suppliers. And based on the past fifteen years of experience, commercial nuclear power has an unparalleled record of safe operation."

FEA Administrator Frank Zarb said on July 11, 1975: "But we can't base our energy policy [with respect to nuclear power] on emotion -- we must base it on hard facts. And these are the facts:

"One -- the risk-to-benefit ratio of nuclear power in regard to public health is favorable, and like other forms of advanced technology will be publicly viewed as such, as we go forward with its development.

"Two -- there is no way we can continue to provide the electricity needed by our Nation in the coming years without the responsible expansion of our nuclear resources; and,

"Three -- electricity from nuclear power is a bargain compared to other sources of electricity, even with all costs included, such as insurance and safe disposal of radioactive waste."

### Administration Actions

The President signed an Executive Order activating, effective January 19, 1975, the Nuclear Regulatory Commission (NRC was authorized by legislation signed by the President in October 1974.) The NRC is an independent regulatory agency which took over the functions of licensing and regulating commercial nuclear power formerly vested in the AEC.

As a part of his energy legislation package, the President has proposed:

- legislation to expedite the licensing process for nuclear power plants.

- increasing from 5 percent to 12 percent the investment tax credit for electric generating plants and continuing that credit for two additional years for nuclear plants.
- extending for another ten years sections of the Atomic Energy Act which provide for financial protection to the public, up to \$560 million, in the unlikely event of a serious nuclear accident.

As added assurance, the Federal Government is pursuing opportunities to improve even further the safety of nuclear power plants. The President's 1976 Budget requests:

- more than \$80 million for the NRC for nuclear reactor safety programs.
- \$40 million for ERDA for development of improved, environmentally sound waste management technology.

The President's June 26, 1975, message to the Congress and proposed legislation calls for the expansion of the U.S. capacity for producing enriched uranium needed to fuel nuclear power plants that will be coming on line in the early 1980's.

ISSUE: Refugees

Administration Position

President Ford said on April 10, 1975: "Fundamental decency requires that we do everything in our power to ease the misery and the pain of the monumental human crisis which has befallen the people of Vietnam. Millions have fled in the face of Communist onslaught and are now homeless and are now destitute.

"I hereby pledge in the name of the American people that the United States will make a maximum humanitarian effort to help care for and feed these hopeless victims."

Administration Actions

The President established on April 18, 1975, the Special Inter-agency Task Force to coordinate U.S. Government activities in evacuation from Vietnam.

The President signed the Executive Order for establishing the President's Advisory Committee on Refugees on May 19, 1975.

The President signed the Indochina Migration and Refugee Assistance Act of 1975, on May 23, 1975, authorizing \$405 million for the special assistance of Indochinese refugees.

The President signed the Special Assistance to Refugees from Cambodia and Vietnam Bill on May 23, 1975, enabling the U.S. to render assistance to the refugees for other expenses not otherwise appropriated.

The President transferred all operational responsibility of the Interagency Task Force from the Department of State to the DHEW on July 21, 1975.

The President submitted to the Congress on June 23, 1975, a report describing the initial activities of the Interagency Task Force and a report regarding the retrieval of assistance funds to Cambodia and South Vietnam.

Education -- HEW Policy Announcements

One-time-only grants will be made this fall to help defray emergency costs of instructing refugee children in school districts with refugee enrollments. The revised policy was announced September 9, 1975.

HEW announced on June 11, 1975, that refugees wishing to enroll in post-secondary institutions are eligible for financial assistance under the Basic Educational Opportunity Grants, Guaranteed Student Loan Program, Supplemental Educational Opportunity Grant Program, the College Work-Study Program and the National Direct Student Loan Program.

On July 23, 1975, a national clearinghouse for information on special teaching resources and Indochinese language and orientation materials was established at the Center for Applied Linguistics, Arlington, Virginia.

Technical assistance is available to school districts enrolling Indochinese refugees with five Bilingual Resource Centers supported under this program for one year.

HEW signed a contract on July 24, 1975, for a national information center staffed by Vietnamese and Cambodian refugee students at Georgetown University, Washington, D.C., to answer requests for information on post-secondary educational opportunities for the refugees.

#### Welfare and Health

Social and Rehabilitation Service on June 9, 1975, announced that 100 percent reimbursement will be provided to the states for welfare, medical assistance and social services costs incurred on behalf of the refugees.

Social and Rehabilitation Service issued the following policy guidelines on June 11, 1975:

- Assistance will be provided to eligible refugees on the basis of need whether or not children are involved.
- States must verify that sponsorship has broken down before cash assistance can be provided.
- The amount of cash assistance to eligible refugees will be the same as that paid by the state to its American AFDC recipients.
- If a state finds that a refugee has applied for welfare the SRS regional office will work with the voluntary agencies to prevent a recurrence.
- In order to expedite the welfare process, states can issue the first cash grant on an emergency basis.

HEW will award a contract in October for a special tuition-free program to prepare Indochinese physicians for the Educational Commission for Foreign Medical Graduates Examination on a one-time-only basis for a period of three to four months.

Military

Department of Defense established a policy concerning the employment and recruitment of Indochina refugees on June 20, 1975, stating that only individuals admitted as permanent resident aliens are eligible for enlistment in the Regular and Reserve Forces and for appointment as officers in the Reserve Forces.

Civil Service

The Civil Service Commission authorized on July 16, 1975, an exemption from the competitive examination for refugees to permit those agencies to appoint for up to two years noncitizens previously employed by federal agencies in Vietnam and Cambodia for work directly assisting the refugee program.

RDS, PACR  
11/6/75

## ISSUE: Science and Technology

### Administration Position

The Nation's efforts in science and technology contribute significantly to the attainment of a wide range of national goals including expanded productivity, a stronger economy and national security and improved quality of life for all.

Federal funding of research and development should generally be limited either:

- to improving products and services directly used by the Federal Government (e.g., for national defense or weather forecasting); or
- to areas of significant public benefit where high risk to the private sector is involved or where there are inadequate or uncertain returns for the very large investments required (e.g., environmental research and energy R&D).

Federal Government policies and programs should be directed toward encouraging technological innovation by the private sector where such innovation can make contributions to national goals and objectives. Federal policies and programs which emphasize increased cost-sharing by industry as the needed innovations move closer to the marketplace (e.g., solar heating and cooling and synthetic fuels).

In the case of basic research, the Federal Government has assumed responsibility to be the major supporter of such research because of the broad benefits to society and difficulty industry and other private groups have in realizing direct and immediate benefits from such research.

A strong program of basic or long-range exploratory research contributes to the store of new knowledge and techniques (e.g., lasers) upon which the nation as a whole can in the future draw to solve problems and achieve its objectives.

### Administration Actions

The President's 1976 Budget called for spending of \$8.2 billion for research in 1976 -- including \$2.7 billion for basic research -- an increase of more than 10 percent over the \$7.4 billion in 1975.

The President's 1976 Budget called for \$20.7 billion for research and development in 1976, compared to \$18.6 billion in 1975. Major increases were provided for energy R&D and defense R&D.

On June 6, 1975, the President proposed legislation to the Congress to create in the Executive Office of the President an Office of Science and Technology Policy. The Director of the Office will also serve as the President's adviser on science and technology, advising on scientific and technical considerations involved in issues and problems requiring attention by the White House and Executive Office and serving as another source for new ideas.

GRS  
11/6/75

ISSUE: Uranium Enrichment Capacity

Administration Position

Increase the U.S. capacity to produce enriched uranium to fuel domestic and foreign nuclear power plants.

Retain U.S. leadership as a world supplier of uranium enrichment services and technology for the peaceful uses of nuclear power.

Assure the creation, under appropriate controls, of a private, competitive uranium enrichment industry in the U.S. -- ending the current Government monopoly.

Accomplish these objectives with little or no cost to taxpayers and with all necessary controls and safeguards.

Administration Actions

President Ford, on June 26, 1975, sent to the Congress a message describing his comprehensive plan for expanding the United States' capacity to provide uranium enrichment services with financing, ownership, construction and operation of plants by private industry.

President Ford, also on June 26, 1975, transmitted proposed legislation necessary to carry out his proposed program. This includes authority for the Energy R&D Administration to enter into cooperative agreements with private firms to provide for Federal cooperation and certain temporary assurances that are needed to overcome the obstacles to private entry in the uranium enrichment industry.

President Ford and other Administration officials have met with the Joint Committee on Atomic Energy (JCAE) and other leaders to explain the program and urge prompt Congressional hearings.

ERDA officials are briefing individual members of the JCAE and selected other members on the details of the program and urging that hearings be held promptly on the President's proposal.

ERDA is negotiating with a consortium, Uranium Enrichment Associates, which would build, own and operate the next uranium enrichment plant and has requested proposals from industry for subsequent plants.

GDS  
11/6/75

INTERGOVERNMENTAL  
RELATIONS

ISSUE: General Revenue Sharing

Administration Position

The President stated on April 25, 1975: "There could be no more practical reaffirmation of the Federal compact which launched this country than to renew the program which has done so much to preserve and strengthen that compact -- General Revenue Sharing. . . . I am today transmitting to the Congress proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972. The act, and the General Revenue Sharing program which it authorizes, expires on December 31, 1976. I strongly recommend that the Congress act to continue this highly successful and important new element of American Federalism well in advance of the expiration date, in order that State and local governments can make sound fiscal plans."

Administration Actions

An inter-agency Task Force was established to conduct an exhaustive review of the existing General Revenue Sharing program and to make recommendations to the President with respect to the program's renewal.

President Ford affirmed support for the General Revenue Sharing Program in the State of the Union Address on January 15, 1975.

President Ford sent a special message to the Congress on April 25, 1975, calling for early action on his proposed legislation to extend and revise the General Revenue Sharing program. The President's proposal calls for a five and three-quarter year extension of the program maintaining the basic features of the existing legislation while offering several significant improvements.

Treasury Department and Office of Revenue Sharing officials testified before The Revenue Sharing Subcommittee of the Senate Committee on Finance in support of the President's proposed legislation on April 16, 1975.

Treasury Department and Office of Revenue Sharing officials testified before the Intergovernmental Relations and Human Resources Subcommittee of the House Government Operations Committee in support of the President's proposed legislation on September 25, 1975.

Treasury Department and Office of Revenue Sharing officials testified before the Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee in respect to Civil Rights Compliance efforts of the Office of Revenue Sharing on October 8, 1975.

The President met on November 6, 1975, with key Members of the House Government Operations Committee who have a major role in continuation of the General Revenue Sharing program. At this meeting, the President expressed his concerns and the need for timely Congressional action on renewal legislation.

Treasury Department and Office of Revenue Sharing officials testified before the House Select Committee on Aging concerning impact of General Revenue Sharing program on November 18, 1975.

PJM  
11/6/75



ISSUE: Chile

Administration Position

The Administration deplores violations of human rights wherever they occur. It shares the concern which has been widely expressed for the protection of human rights everywhere. The Administration does not believe, however, that mandatory restrictions against the provision of assistance to Chile is an effective means for promoting that interest. We have made our views on the human rights question known to the Government of Chile and continue to do so.

When signing S. 3394 "Foreign Assistance Act of 1974" on December 30, 1974, President Ford said:

"I regret the action of the Congress in cutting off the modest program of military assistance to Chile. Although I share the concern of the Congress for the protection of human rights and look forward to continuing consultation with the Chilean Government on this matter, I do not regard this measure as an effective means for promoting that interest."

Administration Actions

The Administration has supported visits to Chile by such bodies as the OAS Human Rights Commission and the UN Working Group on Human Rights, and has actively supported the work of the International Committee of the Red Cross and the UN High Commission on Refugees in Chile.

The Administration has continued to provide economic assistance to the people of Chile through the provision of PS 480 assistance, and CCC (Commodity Credit Corporation) credits for the purchase of grains; other people-to-people programs such as the Peace Corps are also continuing. The Administration has also approved a Housing Investment Guarantee loan of \$55 million for Chile.

NSC  
11/6/75

ISSUE: China-Taiwan

Administration Position

The United States acknowledges that all Chinese on either side of the Taiwan Strait maintain there is but one China, and that Taiwan is a part of China. The United States Government does not challenge that position. It reaffirms its interest in a peaceful settlement of the Taiwan question by the Chinese themselves.

Secretary of State Henry A. Kissinger stated at the 30th Session of the United Nations General Assembly on September 22, 1975: "There is no relationship to which the United States assigns greater significance than its new ties with the Peoples Republic of China. We believe that the well-being and progress of a quarter of humanity is an important element in global stability.... President Ford plans to visit the Peoples Republic of China later this year to confirm the vitality of our relationship and to advance the ties between us on the basis of the strict implementation of the Shanghai Communique."

NSC  
11/6/75



ISSUE: CIA

Administration Position

President Ford stated on April 10, 1975:

"The Central Intelligence Agency has been of maximum importance to Presidents before me. The Central Intelligence Agency has been of maximum importance to me ...

"I think it would be catastrophic for the Congress, or anyone else, to destroy the usefulness, by dismantling in effect, our intelligence systems upon which we rest so heavily ...

"I will say to the leaders of the Congress, the House and the Senate, that I will work with them to devise procedures which will meet the needs of the Congress for review of intelligence agency activities and the needs of the Nation for an effective intelligence service."

Administration Actions

President Ford created the Commission on CIA Activities within the United States on January 4, 1975, to determine whether any domestic CIA activities exceeded the Agency's statutory authority and to make appropriate recommendations.

The Commission on CIA Activities within the United States (known as the Rockefeller Commission) submitted its report on June 6, 1975, including 30 recommendations designed to clarify areas of doubt concerning the CIA's authority, to strengthen its structure, and to guard against recurrences of improprieties.

The Commission on the Organization of the Government for the Conduct of Foreign Policy (known as the Murphy Commission), which was established in July 1972 to submit findings and recommendation in order to provide a more effective system for the formulation and implementation of the nation's foreign policy, submitted its report to the President on June 27, 1975. This report contains a chapter entitled "The Organization of Intelligence" which includes ten recommendations, some of which directly affect the CIA. Others apply to the Intelligence Community as a whole.

The President indicated in a news conference on September 16, 1975, that the recommendations of the Rockefeller and Murphy Commissions were currently under study by his staff and appropriate agencies. He said that from these and other sources he would make administrative changes in the CIA and propose legislative recommendations to the Congress on the Nation's intelligence-gathering apparatus.

NSC  
11/6/75



ISSUE: Cuba

Administration Position

The Administration has made clear that the United States sees no virtue in permanent antagonism between ourselves and Cuba, but that change in our bilateral policies toward Cuba will depend on Cuba's attitude and policies toward us. We have many problems we would have to take up with the Cubans. It is not possible at this time to say when or whether it may prove possible to begin to work out these issues.

Administration Actions

In July 1975, the United States joined with more than two-thirds of the Organization of American States (OAS) member nations to pass a resolution freeing each government to determine in accordance with its own particular policies whether to maintain trade and diplomatic relations with Cuba.

To be consistent with this OAS decision, the President approved removing penalties against other countries that trade with Cuba. The lifting of those restrictions, announced on August 21, 1975, does not affect our bilateral policy towards Cuba. The prohibition against U.S. trade with Cuba continues in effect.

NSC  
11/6/75

ISSUE: Cyprus

Administration Position:

Since the Cyprus crisis erupted in July 1974 the overall objectives of our Cyprus policy have been to preserve the sovereignty, territorial integrity and independence of Cyprus and to restore stability, and peace to the Eastern Mediterranean. To implement this policy, diplomatic efforts at the outset focused on stopping the fighting on the island and then on 1) helping to relieve the suffering of the people of Cyprus and, 2) assisting the parties toward productive negotiations.

Progress has been made. A cease-fire was achieved and is holding firm.

Administration Actions:

The United States has been a major contributor to international efforts aimed at relieving suffering on the island. In 1974, we channelled more than \$10.5 million in funds, equipment and supplies into Cyprus relief. For 1975, we foresee a U.S. contribution of \$13-15 million in relief assistance for Cyprus refugees.

In seeking to assist the parties in productive negotiations, the United States has maintained direct and frequent contact with the leaders of the Greek, Turkish and Cypriot governments. Additionally, the Administration was instrumental in urging successfully the resumption of the inter-communal talks at Vienna. These meetings, which have been ongoing since April, hold out the best hope for ultimate settlement of the difficult and complex Cyprus dispute.

The United States will continue to bend every effort to encourage a peaceful solution to the Cyprus problem based on justice, dignity and self-respect for all -- Cyprus, Greece and Turkey.

NSC  
11/6/75



ISSUE: Defense

Administration Position

The President's defense program -- reflected in his fiscal year 1976 budget -- is designed to : maintain U.S. strength as the key element in preserving the worldwide military equilibrium, strengthen deterrence at all levels of conflict, reinforce our allies for our common defense and underwrite our diplomatic initiatives.

President Ford stated on August 12, 1974:

"A strong defense is the surest way to peace. Strength makes detente attainable. Weakness invites war..."

Administration Actions

The President's program for strategic forces includes plans to:

- Continue engineering development of the modern B-1 bomber.
- Proceed with the Trident strategic submarine.
- Develop options for future deployment of improved intercontinental ballistic missiles, and continue improvements in missile accuracy.
- Maintain ballistic missile defense systems technology.
- Improve command, control and communications for the strategic forces.

The President's program for general purpose forces includes plans to:

- Increase our conventional strength, with little or no change in manpower levels, by shifting manpower from support activities to combat functions and by modernizing weapon systems and equipment.
- Increase production of modern equipment for our land forces, with emphasis on tanks and antitank weapons.
- Continue a vigorous program of new ship construction and modernization for our naval forces.

-- Replace older aircraft in our tactical air forces with newer and more capable aircraft, and increase the number of air-to-air and air-to-ground missiles.

-- Improve our capabilities to transfer large amounts of supplies over long distance quickly and on short notice.

The President also:

-- Reaffirmed the critical importance of the National Guard and Reserves.

-- Is increasing our research and development programs to keep U.S. forces modern and to maintain technological superiority.

NSC  
11/6/75



ISSUE: Eastern Europe

Administration Position:

The United States interest in Eastern Europe is due not only to considerations of foreign policy but also to the fact that millions of Americans' ancestral homelands, relatives and friends are there. The President believes that efforts to settle political conflicts and improve relations with the countries of Eastern Europe contributes to their peaceful evolution toward more openness and to their efforts to define their own roles as sovereign nations in the affairs of Europe.

For these reasons, the President has welcomed and responded to opportunities to further develop our relations with the East European countries:

Administration Actions:

We have capped a decade of improving relations with Romania with the negotiation of a trade agreement that will promote the continued development of mutually beneficial economic ties and thereby bring the structure of our economic relations into accord with the very satisfactory state of our political relations. These relations have been advanced further by President Ford's wide-ranging discussions with President Ceausescu in Washington and Bucharest.

President Ford's talks with Polish First Secretary Gierak in Washington in October 1974 and again in Warsaw in July 1975 have affirmed the desire we share for further improvements in relations between our two countries, and have provided for the further development of commercial, economic, cultural, scientific and technological cooperation.

The President's meetings with Yugoslav leaders have provided a welcome opportunity to assess continued progress in our bilateral relations, including the substantial growth of trade in recent years. We have reaffirmed our mutual intention to encourage cooperation, not only in bilateral matters but also for the preservation and consolidation of peace.

NSC  
11/6/75



ISSUE: Korea

Administration Position

Security: The United States is committed to helping the people of South Korea defend their security. North Korea should make no miscalculation on this score.

Human Rights: We have made known to the Government of Korea our position on human rights matters.

United Nations Command: The United States and the Republic of Korea (ROK) have proposed the termination of the United Nations Command in Korea, provided that there are arrangements to continue the armistice agreements.

U.N. Membership: The United States supports the principle of universality in the United Nations. It believes, however, that the U.N. should not apply this principle selectively. Thus, after the Security Council in August 1975 refused to consider membership for the Republic of Korea in the United Nations, the United States vetoed the applications of the two Vietnams.

Administration Actions

Secretary of Defense Schlesinger attended the annual U.S.-ROK security consultative meeting in Seoul in late August and reiterated the strong U.S. commitment to maintaining peace and stability in Korea. Prime Minister Miki of Japan and President Ford during their August meeting reaffirmed the importance of peace in Korea to the security of Northeast Asia.

NSC  
11/6/75

ISSUE: Law of the Sea

Administration Position:

The major elements of U.S. oceans policy include:

Territorial seas and straits: The U.S. is prepared to accept an increase from 3 to 12 miles in the permissible breadth of the territorial seas as a part of a comprehensive law of the sea agreement only if such agreement guarantees the right of free transit through, over and under straits used for international navigation that would be overlapped by the territorial sea extension.

200-mile economic zone: The U.S. generally supports the conference consensus for a 200-mile economic zone, in which the coastal State would have exclusive rights to explore and exploit the living and non-living resources. In the zone, the coastal State would also have the duty to enforce international pollution standards, to ensure noninterference with other uses of the ocean (such as navigation and scientific research) and to resort to binding dispute settlement mechanisms.

Fisheries: Broad support exists to confer upon coastal States management authority over coastal species and anadromous fish (e.g., salmon). However, the U.S. position is to leave the management of highly migratory species (e.g., tuna), to international or regional bodies. The authority delegated to the coastal States would be subject to international standards to ensure conservation and full utilization, including an obligation to permit foreign fishing for that portion of the allowable catch which a coastal State could not itself harvest. The President strongly opposes unilateral 200-mile fisheries claims by nations, believing that this will lead to confrontation and further complicate efforts to reach agreement in the Law of the Sea Conference. At the same time, he supports bilateral and regional efforts with nations fishing off our coasts to protect our vital coastal and high seas fisheries.

International seabed area: The UN General Assembly has proposed that the oceans beyond the limits of national jurisdiction should be the "common heritage of mankind." To implement this principle, the US supports the creation of an international organization to set rules for deep seabed mining. This international organization would preserve the rights of all countries and their citizens directly to exploit deep seabed resources. Countries and their enterprises mining deep seabed resources would pay an agreed portion of their revenues to the international organization, to be used for the benefit of developing countries. The management of

the organization and its voting procedures would have to reflect and balance the interests of the participating states and it should not have the power to control prices or production rates. If essential U.S. interests were guaranteed, the U.S. could agree that this organization would also have the right to conduct mining operations on behalf of the international community, primarily for the benefit of developing countries.

Marine pollution: The U.S. supports treaty articles establishing a legal framework for the prevention of pollution of the marine environment. The treaty should establish uniform international controls on pollution from ships, and environmental standards for continental shelf and deep-seabed exploitation.

Scientific research: The U.S. favors the encouragement of marine scientific research for the benefit of all mankind. Our proposals are designed to ensure maximum freedom of marine research and to provide for access to the results of such research by the coastal States involved.

Administration Actions:

The Third UN Conference on the Law of the Sea began in 1973 with an organizational session in New York, which was followed by two substantive sessions in Caracas (June-August 1974) and in Geneva (March-May 1975). A third substantive session is scheduled to begin in March 1976. The main accomplishment of the 1975 Geneva session was the drafting of an informal single negotiating text on the subjects before the conference.

The major unresolved issues of the Law of the Sea Conference are:

- The extent of the territorial sea and the related issue of guaranteed transit passage over and under international straits;
- The degree of control that a coastal State can exercise in an off-shore economic zone -- particularly with respect to freedom of navigation, highly migratory fisheries, protection of the marine environment, and conduct of scientific research.
- The nature of the international regime for the exploitation of deep seabed resources; the entities that should exploit these resources and the system for that exploitation; the powers and the voting procedures in the international authority; and the source, level and distribution of revenues from deep-seabed mining.

ISSUE: Mayaguez Incident

Administration Position:

Ieng Sary, Cambodian representative, recently stated at the UN that the Cambodian Government did not order the capture of the Mayaguez. The ship was seized, he said, because it was a spy ship and was in Cambodian waters. He added that Cambodian authorities ordered the release of the ship and crew as soon as they learned the details of the incident. Based on this statement, some have concluded that the President's decision to use force to liberate the Mayaguez was a hasty one and that the resulted deaths of our servicemen were unnecessary.

Administration Actions:

From the beginning of the Mayaguez crisis, the U.S. Government made every effort to communicate with the authorities in Phnom Penh. We attempted to send messages to them through direct diplomatic correspondence, through third parties and through the UN. By the afternoon of May 14, 1975, our efforts had failed to produce any response. At that time, the President decided that the safety of the crew required that he take definite steps to effect their release.

We carefully considered our actions throughout the crisis. Nothing was done hastily. The President did not commit American troops until all other avenues were tried. Unfortunately, diplomacy did not work.

Regarding American casualties, it is, of course, impossible to know precisely in advance what the outcome of any military operation will be. The casualties our forces sustained saddened the President. It was his judgment, however, that we had to act swiftly and decisively to avoid paying a much higher price in the end. Moreover, our failure to respond to this illegal and blatant violation of our rights might well have encouraged other similar or even more serious actions against us in the future.

It can be concluded that our actions were reasonable and necessary. The vast majority of Americans seem to agree that the President's decision was prudent.

NSC  
11/6/75

ISSUE: MIA's in Southeast Asia

Administration Position:

There are a large number of American servicemen who have not been accounted for in Southeast Asia. There are still 875 men listed as missing in action and an additional 1529 whose bodies have not been recovered.

President Ford has publicly pledged that we will obtain as complete an accounting of these men as is possible. On May 30, 1975, he stated:

"The world should know that the United States will not falter in its determination to achieve an adequate accounting of our MIA's."

Administration Actions:

President Ford expressed his concern for this problem by declaring January 27, 1975, as National MIA Awareness Day.

The executive branch is continuing to pursue every possible channel to affect an accounting for these men. The Geneva Convention and the 1973 Paris Accords both require this. The Communist authorities in Vietnam, Laos and Cambodia, however, refuse to conduct searches or assist us in this effort.

NSC  
11/6/75

ISSUE: The Middle East

Administration Position:

The President's policy in the Middle East is to seize what is now an historic opportunity to help the area move to a secure, just and comprehensive peace settlement. So long as this conflict remains unsolved, it poses the constant danger to us of renewed war, international crisis and economic disruption, strains in our major alliances and nuclear confrontation with the Soviet Union. These are intolerable dangers. Because the United States is in a unique position of trust with all the parties, we have -- at their request -- been engaged for the last two years in a peacemaking effort without precedent in three decades. The President is determined that this effort continue until the achievement of a negotiated peace as foreseen by the UN Security Council Resolutions 242 and 338.

Administration Actions:

Since the October 1973 war, significant steps have been taken. Security Council Resolution 338 began a negotiating process between the parties, and set up the first Geneva Conference. Agreements to disengage military forces and establish UN buffer zones to strengthen the ceasefire were successfully negotiated between Egypt and Israel in January 1974 and Syria and Israel in May 1974. Major Arab countries that broke diplomatic relations with the U.S. in 1967 moved in 1973 and 1974 to restore their ties with us; our traditional ties with Israel have been reinforced in crisis and in the long months of close association in negotiations. The Suez Canal was reopened in June 1975.

In the Spring of 1975, President Ford had an intensive series of meetings with Egyptian President Sadat, Israeli Prime Minister Rabin, Jordan's King Hussein, Syrian Deputy Prime Minister Khaddam, and other important leaders in the area, to advance the negotiating process. He consulted widely with Congressional leaders throughout the period, and with concerned civic leaders and experts.

In September 1975, a second, interim agreement was reached between Egypt and Israel. This agreement reaffirms and strengthens the ceasefire, and widens the buffer zone. It publicly commits both sides to settle the Middle East conflict by peaceful means and to refrain from use or threat of force or military blockade, and permits non-military Israeli cargoes to use the Suez Canal. This is the first agreement between Israel and an Arab country that was not simply to halt fighting or disentangle military forces. Both President Sadat and Prime Minister Rabin have hailed it as a possible turning point in Middle East history.

This agreement, if carried out, will help establish a climate of confidence that will make further peace efforts possible. Any stagnation of the negotiating effort poses intolerable risks to the interests of the United States -- economic, political and security -- and to world peace. The President is determined to move forward until the achievement of a final, just and durable peace.

President Ford submitted the recent Egyptian-Israeli agreement, including the provision for stationing of 200 American technicians to monitor the surveillance of the ceasefire, to the Congress for its scrutiny and approval. He will be submitting foreign assistance requests to the Congress which will include assistance to Israel and moderate Arab states, to strengthen their ties with us and their survival against extremist pressures which seek to undermine the process of peace. Our relationship with Israel is traditional since the founding of the State of Israel. We will maintain, as we have for decades, military supply programs commensurate with her defense needs and our commitment to her survival and security. At the same time, American support will be requested to help nations in the moderate Arab world who are our friends and supporters of the peace process.

President Ford intends to maintain our peace effort, to prevent the momentum of events in that volatile region from rushing again towards war. This effort serves important American interests, the interest of world peace, our moral commitments in the area and the desire of the American people to see the specter of war and dislocation banished from the Middle East.

NSC  
11/6/75

ISSUE: Panama Canal

Administration Position

Secretary of State Kissinger stated on March 1, 1975: "Clearly both Panama and the United States have vital interests in the canal . . . . We have made progress because each side has recognized the essential needs and constraints of the other. The United States understands that a treaty negotiated in 1903 does not meet the requirements of 1975 . . . . A new treaty will make the United States and Panama partners in the operation of the canal, protect the essential national interests of both and provide a secure arrangement for the long term."

Every President of the United States since Franklin Roosevelt has recognized the need to modernize our relationship with Panama concerning the Canal.

Administration Actions

We are now in the process of discussing with Panama the possibility of arriving at a new treaty relationship. The goal of these negotiations is to reach an agreement which will accommodate the needs of both the United States and Panama while protecting our basic interests in defense and operation of the canal. Negotiations are continuing but there are a number of difficult questions remaining to be resolved. At this stage in the talks it is not possible to predict when agreement on a treaty might be possible.

The President has no intention of proposing to the Congress any agreement with Panama that would not protect our vital interests. Any treaty we reach with Panama will be submitted to the full constitutional process, including Senate approval, and the Administration will be consulting closely with the Congress as the discussions continue.

NSC  
11/6/75

ISSUE: Portugal

Administration Position

The President has been following the situation in Portugal very closely. He believes that the events of recent weeks have been encouraging. Both the President and Secretary of State have stated that the United States supports the emergence of a democratic, pluralistic government reflecting the will of the Portuguese people as expressed in the elections of April, 1975. Together with the Western allies, we will continue to watch carefully the situation in Portugal in the context of our long-standing friendship and alliance with that country. We will continue to speak out -- as we have in the past -- against any attempts by an anti-democratic minority to subvert the efforts of the moderate majority to build Portugal by democratic means.

NSC  
11/6/75

ISSUE: Northern Marianas

Administration Position

The people of the Northern Mariana Islands of the Trust Territory of the Pacific Islands overwhelmingly approved on June 17, 1975, the Covenant to establish a commonwealth in political union with the United States. A United Nations team observed the plebiscite.

President Ford told the Congress on July 1, 1975: "This historic act of self-determination was the capstone of more than twenty years of continuous effort on the part of the people of the Marianas District to enter into close union with the United States. . . . Congressional approval of the freely-expressed wish of the people of the Northern Mariana Islands will enable them to move toward their long-sought goal of self-government in political union with the United States."

Administration Actions

President Ford submitted a proposed joint resolution to the Congress on July 1, 1975, which would provide Congressional approval of the "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America." The House of Representatives subsequently approved it, and the Senate is currently considering it.

NSC  
11/6/75

ISSUE: Restoration of Military Assistance to Turkey

Administration Position:

United States military assistance to an old and faithful ally, Turkey, was cut off in February 1975 by action of the Congress. This resulted in an embargo on military purchases by Turkey, extending even to items already paid for. The aid cut-off by the Congress was intended to influence Turkey in the Cyprus negotiations. But the effect of the Congressional action has been to block progress towards reconciliation, thereby prolonging the suffering on Cyprus; to complicate our ability to promote successful negotiations; and to increase the danger of a broader conflict.

The total U.S. embargo on military assistance to Turkey imposed a strain on our relationship with this important NATO ally. Following the failure of the House in late July to partially restore military assistance to Turkey, the Turkish Government suspended operations at our intelligence monitoring facilities on Turkish soil. This action has caused a significant loss of intelligence on Soviet activities. The U.S. installations in Turkey provided information of great value on Soviet research and development activity, and early indications and warnings of Soviet force readiness and movement in the area.

Administration Actions:

Realizing the damage done to US/NATO security interests in the Eastern Mediterranean and lack of progress to date in reaching a Cyprus settlement, the Congress on October 2, 1975, acted to partially lift the embargo on U.S. arms for Turkey. Following the Congressional action, the President outlined the objectives of U.S. policy toward Turkey, Greece and Cyprus in the next few months. He stated on October 3, 1975:

"First, we will seek to rebuild our security relationship with Turkey to underscore that Turkey's membership in the Western alliance and partnership with the United States serve the very important interest of both nations.

"Second, we will make a major effort to encourage resumption of the Cyprus negotiations and to facilitate progress by the parties involved -- Greece, Turkey and Cyprus -- toward a peaceful and equitable settlement of this dispute. In this connection, we

ISSUE: Restoration of Military Assistance to Turkey (con't)

will fulfill whatever role the parties themselves want us to play in achieving a settlement acceptable to all. In accordance with S. 2230, I will submit to the Congress within 60 days of enactment a report on progress made in reaching a solution to the Cyprus problem.

"Third, the Administration will intensify cooperation with appropriate international humanitarian agencies to find ways to alleviate the suffering of the many people displaced as a result of the 1974 hostilities. The plight of these unfortunate people makes progress towards solution of the Cyprus problem all the more important.

"Finally, the Administration intends to provide support to the democratic government of Greece. In that regard, we will pursue efforts to help that country overcome its current economic and security problems. Also, in compliance with S. 2230, I will submit within 60 days my recommendations for assistance to Greece for fiscal year 1976.

"Our goals in the Eastern Mediterranean in the months ahead -- to help the parties involved achieve a Cyprus settlement, to rebuild a relationship of trust and friendship with both Greece and Turkey, to alleviate the suffering on Cyprus and to meet Greece's needs for assistance -- are objectives on which we all can agree. Let us now join in working together to achieve them."

NSC  
11/6/75

ISSUE: SALT

### Administration Position

The Administration is seeking to obtain a new strategic arms agreement that would supersede the Interim Agreement on Strategic Offensive Arms signed by the U.S. and the USSR in 1972. The Administration's goal in seeking the new agreement, which must be based upon the principle of equality and equal security, is to reduce tensions and the risk of nuclear war and to strengthen international peace and security.

The U.S. and the Soviet SALT Delegations are currently negotiating in Geneva the detailed terms of a new agreement. This work involves putting the basic provisions already agreed upon at Vladivostok into treaty language and resolving other issues essential to an agreement which will protect U.S. interests and command the confidence of both sides.

### Administration Actions

President Ford met with General Secretary Brezhnev at Vladivostok in November 1974. The two leaders agreed upon the guidelines for a new agreement that would replace the Interim Agreement. The basic guidelines agreed on at Vladivostok were that each side would be limited to 2400 strategic delivery vehicles and 1320 missiles equipped with MIRVed warheads.

President Ford also met with General Secretary Brezhnev at the Conference on European Security and Cooperation in Helsinki in August 1975. They renewed their discussions on SALT and made progress on several issues which must be resolved before a new agreement based upon the Vladivostok guidelines can be completed.

NSC  
11/6/75

ISSUE: SEATO

Administration Position

The September 24, 1975, SEATO Council of Ministers meeting in New York agreed to phase out SEATO over a period of approximately two years. In accordance with the wishes of the Asian members, the United States concurred in this move. SEATO has been evolving for some years and we do not believe its gradual phase-out will affect the security of the region.

NSC  
11/6/75

ISSUE: U.N. Membership for Vietnam and North and South Korea

Administration Position:

President Ford stated on September 12, 1975: "We believe in the universality of the United Nations. We feel that it is in the interest of the world as a whole to have all nations that want to become a part of the United Nations be members, but the effort of North and South Vietnam to get in was predicated on their coming in alone.

"We felt if North and South Vietnam were to be a part of the United Nations, South Korea, that has had its application in to be a member for a good many years, also ought to be included. You can't be selective on who or what nation should be a part of the United Nations.

"I presume, based on our overall interest in matters involving Southeast Asia, that it is conceivable under certain circumstances, that our relations with North and South Vietnam will improve, but a lot has to happen."

United Nations Ambassador Moynihan stated on August 11, 1975: "The United States today has, for the first time, vetoed the admission of a new member to the United Nations....This is an action my country hoped it would never take....What in the end changed our mind was the decisions of the Council taken at its 1834th meeting on August 6, 1975. It became absolutely clear that on that occasion that the Security Council, far from being prepared to support the principle of universal membership, was denying to one applicant (South Korea) even the right to have its case considered....The United States had made clear that we were prepared to vote for the admission of each and all of the three applicants before us....A State Department spokesman had indicated that the United States would be equally willing to vote for the admission of North Korea as well. We would have done so in plain pursuit of the principle of universality. But the State Department spokesman said then, and I repeat now, that we would have and we will have nothing to do with selective universality....The United Nations should be as near as possible to universal in membership. As new nations are formed, they should be seen as having a presumed right to membership....But we must not apply partisan political tests to membership. The United Nations cannot work if we do. It is because the United States desired that it should work that we have today made the hard decision to break with our practice of thirty years and block the membership of two nations whose sponsors have refused to act equitably towards the application of another nation."

ISSUE: U.N. Membership for Vietnam and North and South Korea (con't)

Administration Actions:

The United States has twice vetoed the admission of North and South Vietnam into the United Nations. We took this action because the Communist members of the Security Council blocked consideration of the request for admission by South Korea. We refused to adhere to such a policy of selective universality.

NSC  
11/6/75

ISSUE: USSR/Detente

Administration Position:

From the outset of his Administration, the President has stressed his commitment to work for improved relations with the Soviet Union in the interests of world peace. The effort to achieve a more constructive relationship with the USSR expresses the continuing desire of the vast majority of the American people for easing international tensions and reducing the chances of war while at the same time safeguarding our vital interests and our security. Such an improved relationship is in our real national interest.

President Ford has observed on many occasions that we have had no illusions about detente. We know that we are dealing with a nation that follows a different ideological course and is our competitor in many parts of the globe.

Through a combination of firmness and flexibility, however, the United States has laid the basis of a more stable relationship based upon mutual interest and mutual restraint.

Building from the understandings and objectives we share with our European allies, the United States has made progress with the Soviet Union and Eastern Europe on an important range of issues aimed at lessening the chances for war and improving the opportunities for cooperation.

Administration Actions:

In November 1974 at Vladivostok the President and General Secretary Brezhnev agreed on the general framework for a new strategic arms agreement that will set firm and equal limits on the strategic forces of both sides through 1985. The United States and the Soviet Union are currently engaged in negotiations to translate the Vladivostok accord into a formal ten year agreement.

We have continued to exercise an active leadership role within the NATO Alliance in the Mutual and Balanced Force Reduction (MBFR) talks with the Soviet Union and its Warsaw Pact allies. As expected, these negotiations have been both complex and difficult. The issues being addressed go to the very heart of the structure of European security and affect the vital interests of some nineteen participating countries. We are confident that if the discussions continue to be treated seriously by both sides, it will be possible to achieve a result that will advance the cause of peace in Europe and the security of all participants.

ISSUE: USSR/Detente (con't)

Pursuant to Article III of the Threshold Test Ban Treaty of July 3, 1974, the United States and Soviet Union are engaged in negotiations to conclude an agreement at the earliest possible date governing the conduct of nuclear explosions, including peaceful nuclear explosions. The delegations have met regularly in a promising effort to achieve this goal.

In the European Security Conference, we have reached agreement on provisions aimed at assisting the process of reducing tensions and increasing contacts and cooperation between East and West. The CSCE document specifically recognizes the right of self-determination of peoples, includes a strong re-statement of the principle of human rights and fundamental freedoms, and gives a public commitment to a greater measure of freedom of movement of people and ideas than has existed in the past. The President believes that the inclusion of these provisions, in which the United States played an energetic part, has advanced the cause of peace in Europe and promoted the cause of human freedom. At the same time the Final Act was not a binding legal document. It did not ratify post-war frontier changes. The Final Act states only that frontiers cannot be changed through the use of force, a concept to which we have subscribed in the UN Charter. In addition, the document expressly provides that frontiers can be changed by peaceful means, thus indicating broad acceptance that the possibility for peaceful evolution, and frontier changes, quite properly exists in Europe. This was a major concession by the Warsaw Pact and it refutes the charge that present borders are being permanently frozen.

By attending the Summit level conclusion of the Conference, the President helped place CSCE into perspective as an important element in our overall efforts toward a relaxation of tensions in Europe, which will require concrete efforts to carry out the commitment for freer movement of people and ideas which were undertaken in the Final Act of the Conference.

President Ford has met regularly with Soviet officials to further develop our bilateral relations and to continue the search for peace. His talks with General Secretary Brezhnev, Foreign Minister Gromyko and a number of government ministers with responsibilities for the wide-range of joint US-Soviet cooperative endeavors have contributed to progress on important negotiations and to a more reliable relationship based on mutual interest and mutual restraint.

NSC  
11/6/75

ISSUE: Vietnam Aid

Administration Position:

We have no plans for extending economic aid to either part of Vietnam. Licenses for purely humanitarian aid by voluntary agencies have been approved, however.

Administration Actions:

In June 1975, the American Friends Service Committee and the Mennonites, applied for licenses to ship a number of humanitarian items as well as machine tools and other equipment. In July, the humanitarian items, i.e., food, medicine and medical supplies, were approved, but other items were turned down because they were more economic than humanitarian in nature.

NSC  
11/6/75

ISSUE: Western Europe

Administration Position:

The President's foreign policy has been aimed at one central objective -- that of safeguarding and advancing the interests of all Americans in the face of strategic, political, economic and energy challenges and opportunities of immense complexity. In this process, our relations with our friends and allies in Western Europe and Canada have been of the greatest importance.

Over the past year, we have strengthened the process of consultations with our friends and we have made progress in negotiations with competitors aimed at producing a more peaceful, more stable world. Our foreign policy has reflected a total commitment to working with our friends to safeguard and advance U.S. and allied interests.

Little more than an hour after the President took the Oath of Office on August 9, 1974, he asked the Ambassadors of the NATO nations to meet with him at the White House, and in that meeting emphasized that the Atlantic Alliance remains the cornerstone of U.S. foreign policy and that he looked forward to working as closely as possible with the nations of Western Europe to ensure a strong and prosperous trans-Atlantic relationship. Since that meeting he has met at least once with the leaders of every member of the Alliance. The very productive NATO summit in Brussels on May 29-30, 1975, and the Conference on Security and Cooperation Summit in late July 1975 provided welcome opportunities for intensive consultations. President Ford believes these meetings, characterized by a spirit of friendship and candor, have helped bring about impressive achievements by the industrialized democracies in recent months -- above all, clear demonstrations of the capacity of the West to deal with common problems.

Administration Actions:

We have improved the process of consultation with the Allies.

Together, the United States and Western Europe have created the International Energy Agency to face economic problems and an energy challenge of unparalleled proportions. We are tackling the problems of energy conservation and alternate sources and continuing our discussions with the producer countries to further understanding and to seek solutions in our mutual interest.

ISSUE: Western Europe (con't)

We have worked hard to maintain a strong and credible defense at a time when each NATO member must cope with severe budgetary demands. Initial steps have been taken to achieve more efficient use of existing defense resources, for example, through standardization of equipment -- an effort underscored by the decision in 1975 of four allies to adopt and to co-produce the U.S. F-16 fighter aircraft.

President Ford's trip to Europe in May 1975 for the NATO summit afforded the welcome opportunity for meetings not only with NATO heads of government but also with leaders in European countries of great importance to the United States. His visit to Spain permitted a helpful review of current U.S.-Spanish ties and consultations aimed at future cooperation. In Rome, talks with Italian President Leone and Premier Moro resulted in renewed confidence in the strength of Italian-American friendship and the clarity of the goals we share as Allies and as democracies. The President's meeting at Vatican City with Pope Paul VI permitted a valuable review of major humanitarian issues confronting mankind.

Similarly, the President's trip to Europe in July-August 1975 served to reinforce our ties with our traditional allies through his visit to the Federal Republic of Germany and by demonstrating at the CSCE Summit in Helsinki our deep and continued interest in European affairs and our commitment to the maintenance of peace and security, and the advancement of human rights throughout Europe. In his remarks to the Conference, the President sketched his vision of European-American relations when he said that "My presence here symbolizes my country's vital interest in Europe's future. Our future is bound with yours. Our economic well-being as well as our security, is linked increasingly with yours. The distance of geography is bridged by our common heritage and our common destiny. The United States, therefore, intends to participate fully in the affairs of Europe and in turning the results of this conference into a living reality."

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