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#### THE WHITE HOUSE

WASHINGTON

#### July 6, 1976

## ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:	JAMES T. LYNN
THRU:	PAUL H. O'NEILL
FROM:	JAMES E. CONNOR
SUBJECT:	P.L. 480 PROGRAMMING TRENDS

The President reviewed your memorandum of June 21 on the above subject and made the following decisions:

#### Afghanistan:

Option #1 - Undertake the proposed \$2.6 million oil program and leave open the possiblity of future continuation.

#### Jamaica:

Option #2 - Do not undertake the program.

#### **Proliferation:**

The following notation was made by the President regarding your recommendation for OMB to undertake an interagency study to develop firm guidelines for future Title I food aid programming for political and developmental purposes for review and approval by the beginning of Fiscal Year 1977.

"New OMB study not essential now."

Please follow-up with appropriate action.

cc: Dick Cheney

## THE WHITE HOUSE WASHINGTON

#### June 29, 1976

#### MR PRESIDENT:

#### PL 480 Programming Trends

Staffing of OMB's memorandum on the above subject resulted in the following recommendations:

Messrs. Marsh, Seidman and Greenspan support OMB recommendations on all options.

Messrs. Buchen and Friedersdorf had no comments to make on this subject.

Jim Cannon recommends:

1. Afghanistan:	Option 1 (State's recommendation)
2. Jamaica	Option 2 (OMB's recommendation)
3. Study:	Disapprove OMB proposal.

Brent Scowcroft strongly supports the PL-480 programs proposed for Jamaica and Afghanistan. His detailed comments to support his recommendation are at TAB A.

#### Jim Connor



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

JUN 21 1976

MEMORANDUM FOR:

THE PRESIDENT Paul H. O'Neill

SUBJECT:

FROM:

P.L. 480 Programming Trends

The State Department has requested approval to undertake P.L. 480 credit programs in two countries -- Afghanistan and Jamaica. Both countries can be accommodated within your 1976 budget. However, these proposals illustrate the proliferation of countries participating in the P.L. 480 program (Title I credit sales) which I consider to have relatively low political priority and little developmental justification. Because of their broad implications for future programming, I believe you should review the State requests.

The attached table shows the growth in the number of P.L. 480 programs from 1975 to 1977. In 1975, commodity shortages reduced the number of programs to 18; but for 1977, State/AID are proposing that the number be increased to 25. This trend indicates a return to the high level of country recipients often more than 30 - which prevailed in the period before 1973 when P.L. 480 was used to dispose of CCC surplus commodities. Some of the new programs are so small in size, even relative to the recipient's consumption of the food aid commodity, that in my view there is little likelihood that they can have any significant political or economic impact. These small programs, however, will total to more than \$77 million in 1977 outlays or about 10% of the total planned Title I program.

Programs of this type once initiated, are difficult to terminate in subsequent years because of the negative political impact usually associated with program termination. As a result, when newer, higher priority needs develop, they tend to be added to existing P.L. 480 programs forcing increases in the total program. State/AID argue that the returns (political, developmental, humanitarian) for the Afghanistan and Jamaica programs are at least commensurate with outlay. More basically, they do not think there should be a presumption against small programs. P.L. 480 legislation now requires that at least 75 percent of Title I assistance go to poorer countries. Many of the poorer countries are small and programs must be tailored accordingly. A large country bias, on the other hand, would increase the leverage such recipients already exercise over our allocations. Small countries are increasingly important to us in a one country/one vote world and P.L. 480, because it is quickdisbursing, is a particularly effective foreign policy instrument.

#### Afghanistan

The Afghanistan proposal would provide 4,000 tons of vegetable oil (\$2.6 million). State supports the program because:

- -- Our interest in South Asian stability is supported by a stable Kabul regime not overly dependent on the Soviet Union;
- -- It will help make up for cuts this year in other assistance and exchange programs;
- -- Afghanistan is one of the poorest countries (\$90 per capita income) and is classed as an MSA;
- -- The program could help ease future Afghan foreign exchange problems;
- -- Refusal to undertake the program would disturb the atmosphere for the visit of the Afghanistan President's brother, Mohammed Naim, whom you are meeting July 1; and,
- -- This will be particularly true if, as is now proposed, we increase Title I oil shipments to Pakistan.

OMB recommends against the program because:

-- Afghanistan currently faces no short-term foreign exchange problems - the value of imports is nearly equal to the value of exports, and foreign exchange reserves are equal to six month's worth of imports;



- It seems unlikely that the stability of the Afghan government will be affected by a program of this size;
- The cut in AID programs is temporary, caused by a shift to projects designed to aid the poorest sectors; and is partially offset by planned AID programming in the Transition Quarter;
- -- The program is not related to Afghanistan's economic development plans; and,
- -- The impending State visit of the brother of the Afghan President is no justification for initiating a food aid program; such a program should be justified on its merits.

#### Decision

Option #1 - Undertake the proposed \$2.6 million oil program and leave open the possibility of future continuation State, AID, and USDA support this option.

Option #2 - Do not undertake the program. OMB recommendation.

#### Jamaica

State and AID propose \$2.5 million in Title I credit sales to provide high protein blended foods for expansion of Jamaica's school lunch and mother and child feeding programs. State argues that:

- -- With Cuban influence in Jamaica growing, a positive U.S. response to the GOJ request would strengthen moderate political forces;
- -- A Title I program would help belie the claim of more radical Jamaicans that the USG is attempting to destabilize Jamaica in a manner they assert is reminiscent of Chile;
- -- U.S. companies are negotiating with the GOJ the future status of bauxite/alumina investments from which we secure half our bauxite requirements; rejection of the Title I request could harm the cooperative relationship we think essential for these discussions;

- -- Jamaica has severe economic problems including a negative net foreign exchange balance which limits its ability to finance imports;
- -- The program, reaching 300,000 needy Jamaicans, primarily children, supports the GOJ's increasing commitment to improved nutrition;

OMB opposes the program because:

- -- Jamaica is a relatively wealthy developing country (\$990 per capita income) and could finance its own feeding program;
- -- The program appears to be too small to have a major impact on the Jamaican political situation;
- -- Reflecting Jamaica's relatively high income level, Title I blended foods were provided last year as the last program in a phase-out of U.S. food aid; and,
- -- AID development lending was terminated last year pending settlement of investment disputes with U.S. aluminum companies, which have not yet been resolved. Providing P.L. 480 now could undermine this decision.

#### Decision

Option #1 - Undertake the proposed program this year and leave open the possibility of continuing it in the future. State, AID recommendation.

Option #2 - Do not undertake the program. OMB recommendation supported by Treasury and USDA.

#### Proliferation

Because the current programming process is raising country issues such as these above, OMB recommends that you direct OMB to undertake an interagency study to develop firm guidelines for future Title I food aid programming for political and developmental purposes for your review and approval by the beginning of Fiscal Year 1977. All proposed programs for 1977 should be evaluated in the light of these guidelines. State/AID and USDA oppose a study which they believe might interfere with orderly implementation of FY 1977 programming. They argue that the interagency P.L. 480 programming process is the proper means for weeding out marginal programs and do not believe an additional exercise is warranted. They note that the agencies concerned with P.L. 480 have recently approved procedures designed to make food aid a more effective development resource, beginning with the next budget presentation. They believe that the use of food aid for political purposes can only be decided on a case-by-case basis.

\_\_\_\_\_ Approved

Disapprove New DMB study not essented now. MP.7

Attachment

## P.L. 480 Country Programs Title I (\$ millions)

	<u>1975 Actual</u>	Planned 1976 & TQ	1977 AID Congressional Presentation
Vietnam	22		
Cambodia	88		
Egypt	77	203	150
Israel	9	19	9
Syria	7	19	10
Jordan	6	12	6
Pakistan	78	95	80
India	98	83	61
Bangladesh	203	186	134
Sri Lanka	18	22	18
Chile	48	49	30
Korea	75	135	145
Indonesia	6	60	35
Guinea	10	8	5 6
Haiti	2	5	
Tanzania	6	4	6
Honduras	5 2	2 3	8
Jamaica	2	3	*
Portugal		20	30
Zaire		13	8
Afghanistan		3	2 3
Ethiopia		4	3
Morocco		15	6
Tunisia		3	3
Guatemala		3	*
Zambia		2	*
Philippines			17
Liberia			3
Senegal Mali			10
Mali			8
Subtotal	760	968	793
Carry-in		124	
Reserve		15	74
Total	760	1,107	867

\*These programs were proposed for 1976 after the AID 1977 Congressional Presentation was submitted to Congress. It is expected that State/AID will propose to continue these programs in 1977.

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## THE WHITE HOUSE washington

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ACTION

CONFIDENTIAL - GDS

June 29, 1976



MEMORANDUM FOR:

THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT:

PL-480 Programs for Jamaica and Afghanistan

Secretary Kissinger has proposed small PL-480 programs for Jamaica (\$2.5 million) and Afghanistan (\$2.6 million). The Secretary discusses the need for these programs in the memorandum to you at Tab A. At Tab B is a memorandum to you from Jim Lynn recommending against these programs.

Secretary Kissinger's memorandum points out the importance of these two small programs.

--In Jamaica, we wish to extend a highly successful humanitarian program for an additional year to avoid giving radicals further anti-U.S. arguments during the current highly agitated political campaign. Jamaica supplies over half of our bauxite needs, and investment disputes between the government and U.S. companies are in a delicate negotiating stage.

--In Afghanistan, we wish to remove the irritant of a program which was not completed in 1973 -- albiet because the Afghans moved slowly. You will meet on July 1 with Mohammad Naim, brother and chief advisor to the Afghan President; he would be pleased to know this small problem had been resolved.

OMB argues that these two programs illustrate an undesirable trend toward proliferation of PL-480 recipients. OMB believes these programs are of low political priority, have little developmental justification, and will be hard to terminate. Specifically, OMB argues:

--that in the case of Jamaica, severe balance of payments problems should not obscure the country's wealth relative to other LDCs, and that the political impact would be both small and counter

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#### CONFIDENTIAL - GDS

to our suspension of development lending as a result of the ongoing investment disputes;

--that in the case of Afghanistan, the country has high foreign exchange reserves even though it is one of the poorest of countries, that our AID reduction is temporary, and that the program would probably have no impact on the country's stability.

I strongly support Secretary Kissinger's proposals for the following reasons:

--Secretary Kissinger is not requesting additional funding for the programs, which would be included within the currently approved PL-480 budget. It is the Secretary's judgment that this allocation of available PL-480 resources represents the most effective programming in terms of our foreign policy objectives. I concur.

--Although OMB's arguments against "proliferation" of PL-480 programs raise a broader policy issue which could be prepared for your review and decision, neither paper adequately develops this broader issue. While it does not seem to me there is anything inherently wrong with small programs, I believe you should at this time review only the specific cases of Jamaica and Afghanistan, on their respective merits. (I should note that even with these two programs, the total would still be considerably below the average of the last 10 years.)

#### RECOMMENDATION

That you approve the PL-480 programs proposed for Jamaica and Afghanistan.

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

CONFIDENTIAL - GDS

## THE SECRETARY OF STATE WASHINGTON

#### June 17, 1976

#### CONFIDENTIAL

MEMORANDUM FOR: THE PRESIDENT

From: Henry A. Kissinger

Subject: PL 480 Programs for Jamaica and Afghanistan

The Jamaican and Afghanistan Governments have requested small Title I PL 480 programs this year. I consider it highly important that we provide such assistance.

OMB is sending you a memorandum recommending against both programs on the grounds, in its view, that they have relatively low political priority and little developmental justification. More generally, OMB is concerned that an increasing number of small programs will eventually force increases in PL 480 budget levels.

The Jamaica (\$2.5 million) and Afghanistan (\$2.6 million) programs fit within the approved Title I budget levels for FY-1976 and the transitional quarter. I believe the important issue is not proliferation, but whether the political, developmental and humanitarian returns are commensurate with outlay. I believe they are.

The Jamaicans attach symbolic importance to the continuation of a PL 480 program. Were it terminated during the current period of economic difficulties, the decision would almost certainly be interpreted as a "destabilizing" action on our part. Jamaica's leadership erroneously suspects that we are trying to undermine the Manley Government. An action on our part tending to reinforce that suspicion would strengthen the radical, pro-Cuban faction.

The US has significant economic interests in Jamaica. Among them is US investment in the bauxite/alumina industry which is about \$630 million. Investment disputes between the Jamaican Government and the bauxite companies are in a delicate negotiating stage; the situation should not be exacerbated.

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DECLASSIFIED
TOTAL ASSIFIED
TOTAL CONFIDENTIAL

2

The Jamaican PL 480 program has high humanitarian content. It provides nutrition to a large number of Jamaica's poorest women and children who are seriously affected by the highly adverse trends in Jamaica's economy.

The Afghanistan program will provide about onethird of vegetable oil import requirements this year. Afghanistan is one of the world's poorest countries and is classed as one of the most seriously affected (MSA) by oil and other commodity price increases.

We have real, if limited, interests in Afghanistan. Internal developments there historically have affected neighboring nations, and our overriding interest in South Asian regional stability argues for a genuine United States effort to promote a responsible, economically progressive government in Kabul. Also, we seek to assist Afghanistan in avoiding over-dependence on the Soviet Union. The PL 480 program will contribute to these objectives and, this year, will help to make up for temporary reductions in AID programing.

In support of our interests we have invited Mohammad Naim, brother and chief advisor of the Afghan President, to visit Washington in late June. He is scheduled to meet with you July 1. I would hope that Afghanistan's PL 480 request will no longer be an issue at that time.

I urge your favorable consideration of both the Jamaica and Afghanistan proposals. I do not think there should be a presumption against small PL 480 programs; small countries are increasingly important to us. PL 480 has proven to be a particularly effective foreign policy instrument where the return can far outweigh the cost.

CONFIDENTIAL

STAFFING

#### THE WHITE HOUSE

WASHINGTON

## July 6, 1976

## ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:	JAMES T. LYNN
THRU:	PAUL H. O'NEILL
FROM:	JAMES E. CONNOR $\mathcal{E}$
SUBJECT:	P.L. 480 PROGRAMMING TRENDS

The President reviewed your memorandum of June 21 on the above subject and made the following decisions:

Afghanistan:

Option #1 - Undertake the proposed \$2.6 million oil program and leave open the possiblity of future continuation.

## Jamaica:

Option #2 - Do not undertake the program.

## **Proliferation:**

The following notation was made by the President regarding your recommendation for OMB to undertake an interagency study to develop firm guidelines for future Title I food aid programming for political and developmental purposes for review and approval by the beginning of Fiscal Year 1977.

"New OMB study not essential now."

Please follow-up with appropriate action.

cc: Dick Cheney

#### June 29, 1976

#### MR PRESIDENT:

## PL 480 Programming Trends

Staffing of OMB's memorandum on the above subject resulted in the following recommendations:

Messrs. Marsh, Seidman and Greenspan support OMB recommendations on all options.

Messrs. Buchen and Friedersdorf had no comments to make on this subject.

Jim Cannon recommends:

1.	Afghanistan:	Option 1 (State's recommendation)
2.	Jamaica	Option 2 (OMB's recommendation)
3.	Study:	Disapprove OMB proposal.

Brent Scowcroft strongly supports the PL-480 programs proposed for Jamaica and Afghanistan. His detailed comments to support his recommendation are at TAB A.

Jim Connor

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

JUN 21 1976

MEMORANDUM FOR:

THE PRESIDENT

FROMI

Paul H. O'Neill /5/ O'neill P.L. 480 Programming Trends

SUBJECT :

The State Department has requested approval to undertake P.L. 480 credit programs in two countries -- Afghanistan and Jamaica. Both countries can be accommodated within your 1976 budget. However, these proposals illustrate the proliferation of countries participating in the P.L. 480 program (Title I credit sales) which I consider to have relatively low political priority and little developmental justification. Because of their broad implications for future programming, I believe you should review the State requests.

The attached table shows the growth in the number of P.L. 480 programs from 1975 to 1977. In 1975, commodity shortages reduced the number of programs to 18; but for 1977, State/AID are proposing that the number be increased to 25. This trend indicates a return to the high level of country recipients often more than 30 - which prevailed in the period before 1973 when P.L. 480 was used to dispose of CCC surplus commodities. Some of the new programs are so small in size, even relative to the recipient's consumption of the food aid commodity, that in my view there is little likelihood that they can have any significant political or economic impact. These small programs, however, will total to more than \$77 million in 1977 outlays or about 10t of the total planned Title I program.

Programs of this type, once initiated, are difficult to terminate in subsequent years because of the negative political impact usually associated with program termination. As a result, when newer, higher priority needs develop, they tend to be added to existing P.L. 480 programs forcing increases in the total program. State/AID argue that the returns (political, developmental, humanitarian) for the Afghanistan and Jamaica programs are at least commensurate with outlay. More basically, they do not think there should be a presumption against small programs. P.L. 480 legislation now requires that at least 75 percent of Title I assistance go to poorer countries. Many of the poorer countries are small and programs must be tailored accordingly. A large country bias, on the other hand, would increase the leverage such recipients already exercise over our allocations. Small countries are increasingly important to us in a one country/one vote world and P.L. 480, because it is quickdisbursing, is a particularly effective foreign policy instrument.

2

#### Afghanistan

The Afghanistan proposal would profide 4,000 tons of vegetable oil (\$2.6 million). State supports the program because:

- -- Our interest in South Asian stability is supported by a stable Kabul regime not overly dependent on the Soviet Union;
- --- It will help make up for cuts this year in other assistance and exchange programs;
- -- Afghanistan is one of the poorest countries (\$90 per capita income) and is classed as an MSA;
- -- The program could help ease future Afghan foreign exchange problems:
- -- Refusal to undertake the program would disturb the atmosphere for the visit of the Afghanistan President's buother, Mohammed Naim, whom you are meeting July 1; and,
- -- This will be particularly true if, as is now proposed, we increase Title I oil shipments to Pakistan.

OMB recommends against the program because:

-- Afghanistan currently faces no short-term foreign exchange problems - the value of imports is nearly equal to the value of exports, and foreign exchange reserves are equal to six month's worth of imports; -- It seems unlikely that the stability of the Afghan government will be affected by a program of this size;

- The cut in AID programs is temporary, caused by a shift to projects designed to aid the poorest sectors; and is partially offset by planned AID programming in the Transition Quarter;
- -- The program is not related to Afghanistan's economic development plans; and,
- -- The impending State visit of the brother of the Afgham President is no justification for initiating a feed aid program; such a program should be justified on its morits.

## Decision

Option #1 - Undertake the proposed \$2.6 million oil program and leave open the possibility of future continuation. State/ AID, and USDA support this option.

Option #2 - Do not undertake the program. OMB recommendation.

## Jamaica

State and AID propose \$2.5 million in Title I credit sales to provide high protein blended foods for expansion of Jamaica's school lunch and mother and child-feeding programs. State argues that:

- -- With Cuban influence in Janaica growing, a positive U.S. response to the GOJ request would strengthen moderate political forces;
- -- A Title I program would help belie the claim of more radical Jamaicans that the USG is attempting to desstabilize Jamaica in a manner they assert is reminiscent of Chile;
- --- U.S. companies are negotiating with the GOJ the future status of bauxite/alumina investments from which we secure half our bauxite requirements; rejection of the Title I request could harm the cooperative relationship we think essential for these discussions;

- -- Jamaida has severe economic problems including a negative net foreign exchange balance which limits its ability to finance imports;
- -- The program, reaching 300,000 needy Jamaicans, primarily children, supports the GOJ's increasing commitment to improved nutrition;

OMB opposes the program because:

- -- Jamaica is a relatively wealthy developing country (\$990 per capita income) and could finance its own feeding program;
- -- The program appears to be too small to have a major impact on the Jamaican political situation;
- -- Reflecting Jamaica's relatively high income level, Title I blended foods were provided last year as the last program in a phase-out of U.S. food aid; and,
- -- AID development lending was terminated last year pending settlement of investment disputes with U.S. aluminum companies, which have not yet been resolved. Providing P.b. 400 now could undermine this decision.

#### Decision

Option #1 - Undertake the proposed program this year and leave open the possibility of continuing it in the future. State, AID recommendation.

Uption #2 - Do not undertake the program. OMB recommendation supported by Treasury and USDA.

#### Proliferation

Because the cursent programming process is raising country issues such as these above, OMB recommends that you direct OMB to undertake an interagency study to develop firm guidelines for future Title I food aid programming for political and developmental purposes for your review and approval by the beginning of Fiscal Year 1977. All proposed programs for 1977 should be evaluated in the light of these guidelines. State/AID and USDA oppose a study which they believe might interfere with orderly implementation of FY 1977 programming. They argue that the interagency P.L. 480 programming process is proper means for weeding out marginal programs and do not believe an additional exercise is warranted. They note that the agencies concerned with P.L. 480 have recently approved procedures designed to make food aid a more effective development resource, beginning with the next budget presentation. They believe that the use of food aid for political purposes can only be decided on a case-by-case basis.

Apperve

Disapprove

Attachment

## P.L. 480 Country Programs Title I (\$ millions)

	1975 Actual	<u> Planned 1976 &amp; TQ</u>	1977 AID Congressione Presentation
Vietnam Cambodia Egypt Israel Syria Jordan Pakistan India Bangladesh Sri Lanka Chile Korea Indonesia Guinea Haiti Tanzania Honduras Jamaica Portugal Zaire Afghanistan Ethiopia	<u>1975 Actual</u> 22 88 77 9 7 6 78 98 203 18 48 75 6 10 2 6 5 2 	Planned 1976 & TQ  203 19 19 12 95 83 186 22 49 135 60 8 5 4 2 3 20 13 3 4	Presentation  150 9 10 6 80 61 134 18 30 145 35 5 6 6 6 8 * 30 8 2 3
Morocco Tunisia Guatemala Zambia Philippines Liberia Senegal Mali		15 3 2 	6 3 * 17 3 10 8
Subtotal Carry-in	760	968	793
Reserve Total	760	<u>15</u> 1,107	<u>74</u> 867

\*These programs were proposed for 1976 after the AID 1977 Congressional Presentation `` was submitted to Congress. It is expected that State/AIE will propose to continue these programs in 1977. MEMORANDUM

#### THE WHITE HOUSE

WASHINGTON

#### ACTION

#### **GONFIDENTIAL** - GDS

#### June 29, 1976

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BRENT SCOWCROFT

SUBJECT:

PL-480 Programs for Jamaica and Afghanistan

Secretary Kissinger has proposed small PL-480 programs for Jamaica (\$2.5 million) and Afghanistan (\$2.6 million). The Secretary discusses the need for these programs in the memorandum to you at Tab A. At Tab B is a memorandum to you from Jim Lynn recommending against these programs.

Secretary Kissinger's memorandum points out the importance of these two small programs.

--In Jamaica, we wish to extend a highly successful humanitarian program for an additional year to avoid giving radicals further anti-U.S. arguments during the current highly agitated political campaign. Jamaica supplies over half of our bauxite needs, and investment disputes between the government and U.S. companies are in a delicate negotiating stage.

--In Afghanistan, we wish to remove the irritant of a program which was not completed in 1973 -- albiet because the Afghans moved slowly. You will meet on July 1 with Mohammad Naim, brother and chief advisor to the Afghan President; he would be pleased to know this small problem had been resolved.

OMB argues that these two programs illustrate an undesirable trend toward proliferation of PL-480 recipients. OMB believes these programs are of low political priority, have little developmental justification, and will be hard to terminate. Specifically, OMB argues:

--that in the case of Jamaica, severe balance of payments problems should not obscure the country's wealth relative to other LDCs, and that the political impact would be both small and counter

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## CONFIDENTIAL - GDS

to our suspension of development lending as a result of the ongoing investment disputes;

--that in the case of Afghanistan, the country has high foreign exchange reserves even though it is one of the poorest of countries, that our AID reduction is temporary, and that the program would probably have no impact on the country's stability.

I strongly support Secretary Kissinger's proposals for the following reasons:

--Secretary Kissinger is not requesting additional funding for the programs, which would be included within the currently approved PL-480 budget. It is the Secretary's judgment that this allocation of available PL-480 resources represents the most effective programming in terms of our foreign policy objectives. I concur.

--Although OMB's arguments against "proliferation" of PL-480 programs raise a broader policy issue which could be prepared for your review and decision, neither paper adequately develops this broader issue. While it does not seem to me there is anything inherently wrong with small programs, I believe you should at this time review only the specific cases of Jamaica and Afghanistan, on their respective merits. (I should note that even with these two programs, the total would still be considerably below the average of the last 10 years.)

#### RECOMMENDATION

That you approve the PL-489 programs proposed for Jamaica and Afghanistan.

Approve\_\_\_\_\_

Disapprove

CONFIDENTIAL - GDS

7603535

## THE SECRETARY OF STATE

#### WASHINGTON

#### June 17, 1976

#### CONFIDENTIAL

MEMORANDUM FOR:

THE PRESIDENT

From:

Henry A. Kissinger

Subject:

PL 480 Programs for Jamaica and Afghanistan

The Jamaican and Afghanistan Governments have requested small Title I PL 480 programs this year. I consider it highly important that we provide such assistance.

OMB is sending you a memorandum recommending against both programs on the grounds, in its view, that they have relatively low political priority and little developmental justification. More generally, OMB is concerned that an increasing number of small programs will eventually force increases in PL 480 budget levels.

The Jamaica (\$2.5 million) and Afghanistan (\$2.6 million) programs fit within the approved Title I budget levels for FY-1976 and the transitional quarter. I believe the important issue is not proliferation, but whether the political, developmental and humanitarian returns are commensurate with outlay. I believe they are.

The Jamaicans attach symbolic importance to the continuation of a PL 480 program. Were it terminated during the current period of economic difficulties, the decision would almost certainly be interpreted as a "destabilizing" action on our part. Jamaica's leadership erroneously suspects that we are trying to undermine the Manley Government. An action on our part tending to reinforce that suspicion would strengthen the radical, pro-Cuban faction.

The US has significant economic interests in Jamaica. Among them is US investment in the bauxite/alumina industry which is about \$630 million. Investment disputes between the Jamaican Government and the bauxite companies are in a delicate negotiating stage; the situation should not be exacerbated.

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DFCLASSIFIED MAR 92-68, # 34, State Utr. 2/5/93 By 1991 MARA Data 3/19/93 2

The Jamaican PL 480 program has high humanitarian content. It provides nutrition to a large number of Jamaica's poorest women and children who are seriously affected by the highly adverse trends in Jamaica's economy.

The Afghanistan program will provide about onethird of vegetable oil import requirements this year. Afghanistan is one of the world's poorest countries and is classed as one of the most seriously affected (MSA) by oil and other commodity price increases.

We have real, if limited, interests in Afghanistan. Internal developments there historically have affected neighboring nations, and our overriding interest in South Asian regional stability argues for a genuine United States effort to promote a responsible, economically progressive government in Kabul. Also, we seek to assist Afghanistan in avoiding over-dependence on the Soviet Union. The PL 480 program will contribute to these objectives and, this year, will help to make up for temporary reductions in AID programing.

In support of our interests we have invited Mohammad Naim, brother and chief advisor of the Afghan President, to visit Washington in late June. He is scheduled to meet with you July 1. I would hope that Afghanistan's PL 480 request will no longer be an issue at that time.

I urge your favorable consideration of both the Jamaica and Afghanistan proposals. I do not think there should be a presumption against small PL 480 programs; small countries are increasingly important to us. PL 480 has proven to be a particularly effective foreign policy instrument where the return can far outweigh the cost.

CONFIDENTIAL

	THE WHITE H	OUSE	
ACTION MEMORANDU	M WASHINGTON	LOG NO.:	
Date: June 22, 19	76 <b>T</b>	'ime:	
FOR ACTION:	C	c (for information):	
Phil Buchen Jim Cannon Max Friedersdorf FROM THE STAFF SE	Jack Marsh Brent Scowcrof	Bill Seidman	ntarana
DUE: Date: Thus	sday, June 24	Time: 3 P.M.	0
SUBJECT:	1	A CONTRACTOR OF	
		memo 6/21/76 re	
	PL 480 Program	inning Frends	
ACTION REQUESTED			
For Necessary	Action	For Your Recommendation	ons
Prepare Ägen	da and Brief . —	Draft Reply	
For Your Cor	nments	Draft Remarks	
REMARKS:	7)		
Buchen mo	ommente	)	- 7
marching	1001100	m and any	tond
(mmon - Rell,	about the states		
Friedersdorf - m Sudmen Lacouts	teheto com	l'aptiono	<del>R)</del>
Greenspan (Dani	s) Suppo	tomp see con	ments -

## PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipe delay in submitting the required material, p telephone the Staff Secretary immediately.

Jim Connor For the President THE WHITE HOUSE WASHINGTON

6/22/76

## TO: BOB LINDER

FROM: TRUDY FRY

The attached is sent to you for review before it is forwarded to the President.

I am staffing this memorandum.



	THE WHITE	HOUSE	
ACTION MEMORANDUN	I washteda	U N	LOG NO.:
Date: June 22, 1976		Time:	
FOR ACTION:			NATO
Phil Buchen Jim Cannon Max Friedersdorf FROM THE STAFF SEC		Bi	ll Seidman
DUE: Date: Thurs	day, June 24	Time:	3 P.M.
SUBJECT:			
, ,		ill memo 6/21/ camming Trend	
ACTION REQUESTED:			
	iction	_X_For Your R	ecommendations
Prepare Agendo	a and Brief	Draft Reply	,
X For Your Com	nents	Draft Remo	irks
REMARKS:			
l. Afghanistan:	Option 1 - Und million oil pr possibility of AID, and USDA	ogram and lea future cont	ave open the inuation. State,
2. Jamaica:	Option 2 - Do recommendation		e the program. O y Treasury and US
3. Study:	Disapprove OMB	study propos	sal.
PLEASE ATTACH THIS	COPY TO MATERIA	L SUBMITTED.	
If you have any question		<b>T</b> <sup>1</sup> <b>C</b>	
delay in submitting the	required moterial, p tary immediately.	p Jim Com For the l	nor President

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ACTION MEMORANDUM	THE WHITE I WASHINGTO		OG NO.:
<b>Date:</b> June 22, 1976		Time:	
FOR ACTION:			<del>) r</del>
Phil Buchen Jim Cannon Max Friedersdorf FROM THE STAFF SECRE	Alan Greenspar Jack Marsh Brent Scowcro <b>TARY</b>	Bill	Seidman
DUE: Date: Thursda	uy, June 24	Time:	3 P.M.
SUBJECT:			
ACTION REQUESTED:	PL 480 Progra	I memo 6/21/76 mming Trends X For Your Reco	
Prepare Agenda a		Draft Reply	
X For Your Commen		Draft Remarks	5
REMARKS:			
	No objecti	on. Ed Sologues	6/22/76

# PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipa delay in submitting the required material, p telephone the Staff Secretary immediately.

Jim Connor For the President

ACTION MEMO	RANDUM w	ASHINGTON	LOG NO.:
Date: June	22, 1976	Time:	
FOR ACTION:			
Phil Buchen Jim Cannon Max Frieders FROM THE STA	Alan Gro Jack Ma Brent S AFT SECRETARY	<b></b>	Bill Seidman
DUE: Date:	Thursday, June 2	4 Time	: <u>3</u> P.M.
SUBJECT:			
		O'Neill memo 6/2 Programming T <b>r</b> e	
ACTION REQU	ESTED:		
For Ne	ecessary Action	_X_For Your	Recommendations

THE WHITE HOUSE

\_\_\_\_\_ Prepare Agenda and Brief

X For Your Comments

\_\_\_\_\_ Draft Remarks

Draft Reply

REMARKS:

st.

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If you have any questions or if you anticipe delay in submitting the required material, p telephone the Staff Secretary immediately.

Jim Connor For the President

<b>*</b>		THE WINTE HOU	JSE	Truly Pry	1
	ACTION MEMORANDUM	WASHINGTON	-	199-10	
	Date: June 22, 1976	Tiro	ie :		
	FOR ACTION:	1000 A	sation <b>it m</b> artic		
	Phil Buchen Jim Cannon Max Friedersdorf FROM THE STATF SECRE	Alan Greenspan Jack Marsh Brent Scowcroft WARY	Bi	ll Seidman	
	DUE: Dais: (Thursda	y, June 24	'Time:	3 P.M.	ngu
	SUBJECT:		annana h hir- nành . P'f faighn dà san phá nh 2007 - 196 n		
		Paul H. O'Neill m PL 480 Programm			
	ACTION REQUESTED:				
	For Necessary Act	ion X	For Your R	commen <b>da</b> tions	• •
	Prepare Agenda a	nd Brief	Draft Roply		
	For Your Comme	nts	Draft Remo	irks	
	REMARKS:				
	CEA su	Optee and	n 2 an	Afghanist Jamaica supports to	he format
•		g an equic Taid	lehnes / in fisc	new To de en The Title al 1977,	I food
:	PLEASE ATTACH THIS CO	OPY TO MATERIAL SU	IBMITTED.	John Da	ir
	If you have any questions delay in submitting the re telephone the Staff Secretar	quired material, p	Jim Conr For the H	nor for President	Alan frem

RANDUM	WASHINGTON	1	LOG NO.:
22, 1976	Time:		
		in the second	2.
Jacl	k Marsh ent Scowcroft	Bill	l Seidman
Thursday, Ju	ne 24	Time:	3 P.M.
	22, 1976 Alar Jacl dorf Br AFF SECRETARY Thursday, Ju Pau	22, 1976 Alan Greenspan Jack Marsh dorf Brent Scowcroft ATT SECRETARY Thursday, June 24 Paul H. O' Neill mer	22, 1976 Alan Greenspan Jack Marsh Bill dorf Brent Scowcroft ATT SECRETARY

THE WHITE HOUSE

## ACTION REQUESTED:

----- For Necessary Action

\_X\_For Your Recommendations

\_\_\_\_\_ Prepare Agenda and Brief

X For Your Comments

\_\_\_\_ Draft Remarks

\_\_\_\_ Draft Reply

**REMARKS:** 

si.

aque with Omb Called In by RBP

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Jim Connor For the President