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**APPROVED**  
**MAR 26 1975**  
**STATEMENT ISSUED**  
**3/27/75**

ACTION

**THE WHITE HOUSE**

WASHINGTON

March 26, 1975

*26 Cannon*  
*3/28/75*

MEMORANDUM FOR THE PRESIDENT  
FROM: JIM CANNON *J Cannon*  
SUBJECT: Enrolled Bill H.R. 4592 - Foreign Assistance and Related Program Appropriation Act, 1975

Attached for your consideration is H.R. 4592, sponsored by Representative Passman, which appropriates a total of \$3,674,346,982 for FY 1975 for foreign assistance and related programs. The total appropriations are \$2,272 million less than the \$5,946 million budget request. This reduces 1975 outlays by \$666 million and 1976 outlays by \$502 million.

Additional information which describes the major changes from your budget request and the impact of these changes is provided in OMB's enrolled bill report at Tab A.

Because the Continuing Resolution expired yesterday and to avoid losing an additional day of refugee airlifts from Da Nang, Secretary Kissinger recommends immediate consideration of the bill. An appropriate signing statement will be provided for your approval tomorrow.

OMB, Phil Buchen (Lazarus) and Max Friedersdorf also recommend approval of the bill.

RECOMMENDATION

That you sign H.R. 4592 at Tab B.





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

MAR 26 1975

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES T. LYNN

A handwritten signature in black ink, appearing to read "J. Lynn", written over the printed name "JAMES T. LYNN".

SUBJECT: Enrolled bill H.R. 4592, the Foreign  
Assistance and Related Programs  
Appropriations Act, 1975

It is important that this enrolled bill be signed  
today, March 26.

Until the Act is signed, the Agency for International  
Development is without obligational authority. It needs  
that authority today so that it can obligate funds for  
the evacuation of refugees from Da Nang, South Vietnam.



APPROVED  
MAR 26 1975

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

MAR 26 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 4592 - Foreign Assistance and  
Related Program Appropriation Act, 1975  
Sponsor - Representative Passman (D), Louisiana

Last Day for Action: April 7, 1975

Activities Affected: Foreign assistance programs.

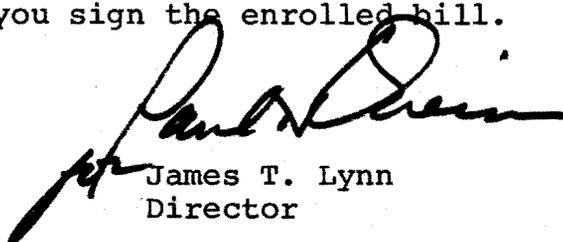
<u>Appropriations Requested:</u> (in millions)	<u>Budget Estimate</u>	<u>Enrolled Bill</u>	<u>Congressional Change</u>
	5,946	3,674	-2,272

Outlay Effect: FY 1975: -\$666 million; FY 1976: -\$502 million.

Highlights:

- Military assistance grants are reduced by \$732 million from the requested \$1,207 million. Foreign military credit sales are reduced by \$255 million from the requested \$555 million.
- Indochina postwar reconstruction is reduced by \$500 million from the requested \$940 million.
- The full \$660 million request for supporting assistance is provided.
- AID development programs are reduced by \$299 million from the requested \$873 million.
- U.S. contributions to the International Financial Institutions are reduced by \$371 million from the requested \$991 million.

Recommendation: That you sign the enrolled bill.

  
James T. Lynn  
Director





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

MAR 26 1975

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES T. LYNN

*Chen*

SUBJECT: Enrolled Bill H.R. 4592 - Foreign Assistance  
and Related Programs Appropriations Act, 1975  
Sponsor: Representative Passman (D) Louisiana

Last Day for Action

April 7, 1975 - We recommend that you sign this bill as soon as possible because the applicability of the continuing resolution to these activities expired Tuesday, March 25, 1975.

Purpose

The bill appropriates for fiscal year 1975 a total of \$3,674,346,982 for foreign assistance and related programs.

Agency Recommendation

Office of Management and Budget

Approval

Affected agencies

Approval  
(informally)

Discussion

The total appropriations provided in H.R. 4592 for foreign assistance and related programs are \$2,272 million less than the \$5,946 million budget request. The changes are detailed in the attached table. The following are the major changes from the budget request. The effect of the congressional changes will be to reduce the 1975 outlays by \$666 million and 1976 outlays by \$502 million.

Military Assistance

Military assistance grants are reduced by \$732 million from the requested \$1,207 million requiring substantial cuts in



almost all country programs. (This total includes deletion of the additional \$222 million requested for Cambodia.) The foreign military credit sales appropriation is reduced by \$255 million to \$300 million but the full program of \$872.5 million can be carried out by maximum use of guarantees of private financing. Of the total credit sales program, \$300 million is earmarked for Israel, of which \$100 million is to be forgiven. The bill also limits to twenty the number of general or flag military officers assigned or detailed to military missions overseas or performing duties primarily related to military assistance or foreign military sales programs. The intent of this provision, which is effective May 1, 1975, is to reduce the number of general officers involved in these programs by about one-third.

#### Indochina Postwar Reconstruction

Indochina postwar reconstruction is reduced by \$500 million from the \$940 million requested. Economic aid to Vietnam will be cut to an estimated \$300 million in comparison to the request level of \$750 million. This reduction will place severe strains on the Vietnamese economy and will hinder provision of relief to refugees. More adequate levels of assistance are available for Laos and Cambodia under the bill.

#### Supporting Assistance

The \$660 million appropriation for supporting assistance provides the entire amount requested and authorized, with an earmarking of all but \$8 million of the appropriation, as follows: Israel - \$324.5 million, Egypt - \$250 million, and Jordan - \$77.5 million. Although this earmarking is substantially along the lines indicated by the Administration in its amended budget request, the earmarking will prevent adjustment among the three countries or between them and other potential supporting assistance needs.

#### Contingency Fund and Famine or Disaster Relief

The \$1.8 million appropriation for the contingency fund, compared to a request of \$30 million, provides funds sufficient only to reimburse the Department of Defense for expenses associated with the Sadat helicopter gift. It eliminates the Administration's ability to respond to



emergencies which may occur before the end of the current fiscal year except for those arising out of disasters. In addition, \$25 million of the \$35 million famine or disaster relief appropriation was specifically earmarked for Cyprus, resulting in an availability of only \$10 million for all non-Cyprus disasters.

#### Aid Development Programs

Almost 80 percent (\$299 million) of the overall \$379 million reduction in development assistance is applied to AID's five development accounts (agriculture, population, education, selected problems, and selected countries), which constitute the core of the bilateral development program. The \$574 million appropriation for these accounts--versus a request of \$873 million--will result in a program level approximately equal to the 1974 level. However, this reduced appropriation will curtail the ability to emphasize agricultural production and population control, as requested by the Administration.

#### International Organizations and Programs

The Administration's request of \$178.6 million for U.S. voluntary contributions to international organizations and programs is reduced to \$139.2 million. This reduction adversely affects the U.S. contribution to the United Nations Development Program (UNDP). The U.S. pledged \$90 million for calendar year 1974 and had planned to pledge \$100 million for 1975. The reduced appropriations for voluntary contributions will force the cessation of additional U.S. contributions to the UNDP for calendar year 1974 (\$70.8 million has already been paid) and limit the 1975 contribution to \$77.9 million, or a total of \$41.3 million below the U.S. pledges for these two years.

#### International Financial Institutions

The \$991 million request for three international financial institutions is reduced by \$371 million, with \$96 million of the reduction applied to the Asian Development Bank (ADB) and \$275 million to the Inter-American Development Bank (IDB). The full \$320 million request for the International Development Association was appropriated.



Accompanying the \$225 million appropriation for the IDB is a first-time earmarking of \$50 million for cooperatives (\$25 million), credit unions (\$10 million), and savings and loan associations (\$15 million). This \$50 million earmarking is a serious problem as it establishes an undesirable precedent which will tend to encourage future additional earmarkings by the Congress as well as other donors to the various development banks. There is some question as to whether the IDB can legally accept or should accept a U.S. contribution which has been so earmarked.

In appropriating \$74 million to the ADB for paid-in ordinary capital and for special fund capital the Congress declined to provide funds for callable capital which constitute the principal basis for U.S. subscriptions to the capital stock of the development banks.

#### International Narcotics Control

The appropriation for international narcotics control is reduced \$25 million below the \$42.5 million request. This appropriation will result in a severe curtailment of the program level which has obtained over the last two years.

Recommendation: That you sign the enrolled bill.

Attachment



1975  
 Foreign Assistance and Related Programs  
 Appropriation Act  
 (in millions of dollars)

	<u>Appropriation Request</u>	<u>Appropriation</u>	<u>Difference</u>
<u>Development Assistance</u>	<u>1216.8</u>	<u>837.3</u>	<u>-379.5</u>
AID development programs	873.3	574.0	
Int'l. organizations and programs	178.6	139.2	
Famine or disaster relief	40.0	35.0	
Other AID programs	94.9	87.3	
Contingency fund	30.0	1.8	
<u>Middle East special requirements fund</u>	<u>100.0</u>	<u>100.0</u>	--
<u>Supporting assistance</u>	<u>660.0</u>	<u>660.0</u>	--
<u>Indochina postwar reconstruction</u>	<u>939.8</u>	<u>440.0</u>	<u>-499.8</u>
<u>International financial institutions</u>	<u>990.6</u>	<u>619.1</u>	<u>-371.5</u>
Asian Development Bank	170.6	74.1	
Inter-American Development Bank	500.0	225.0	
Int'l Development Association	320.0	320.0	
<u>Military Assistance</u>	<u>1762.0</u>	<u>775.0</u>	<u>-987.0</u>
Grants	1207.0	475.0	
Foreign military credit sales	555.0	300.0	
<u>Other Appropriations</u>	<u>277.3</u>	<u>242.9</u>	<u>- 34.4</u>
Peace Corps	82.3	77.0	
Aid to Cuban refugees in the U.S.	78.0	90.0	
Soviet refugee aid	40.0	40.0	
Palestinian refugee aid	--	10.0	
Migration & refugee assistance	9.5	8.4	
International narcotics control	42.5	17.5	
Overseas Private Investment Corp.	25.0	--	
<u>TOTAL APPROPRIATIONS</u>	<u>5946.5</u>	<u>3674.3</u>	<u>-2272.2</u>
<u>Program Limitations</u>			
Export-Import Bank	(6403.0)	(6403.0)	--
Inter-American Foundation	( 10.0)	( 10.0)	--

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 26, 1975

Time: 4:30 pm

FOR ACTION: NSC7S *ok*  
Max Friedersdorf *ok*  
Ken Lazarus *ok*  
Richard Parsons *no comment*

cc (for information): Warren Hendriks  
Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: March 26

Time: 5:30pm

SUBJECT:

Enrolled Bill H.R. 4592-Foreign Assistance and  
Related Program Appropriation Act, 1975

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

K. R. COLE, JR.  
For the President

THE WHITE HOUSE

WASHINGTON

March 26, 1975

MEMORANDUM FOR:

WARREN HENDRIKS

FROM:

MAX L. FRIEDERSDORF

*M. L.*

SUBJECT:

Action Memorandum - Log No.

Enrolled Bill H.R. 4592, the Foreign  
Assistance and Related Programs  
Appropriations Act, 1975

The Office of Legislative Affairs concurs with the Agencies  
that the **enrolled bill H.R. 4592 be signed.**

Attachments

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

MAR 26 1975

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES T. LYNN *James T. Lynn*

SUBJECT: Enrolled bill H.R. 4592, the Foreign  
Assistance and Related Programs  
Appropriations Act, 1975

It is important that this enrolled bill be signed  
today, March 26.

Until the Act is signed, the Agency for International  
Development is without obligational authority. It needs  
that authority today so that it can obligate funds for  
the evacuation of refugees from Da Nang, South Vietnam.

To: *Harren Handrick*  
*3-26-75*  
*4:30 p.m.*

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

MAR 26 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 4592 - Foreign Assistance and  
Related Program Appropriation Act, 1975  
Sponsor - Representative Passman (D), Louisiana

Last Day for Action: April 7, 1975

Activities Affected: Foreign assistance programs.

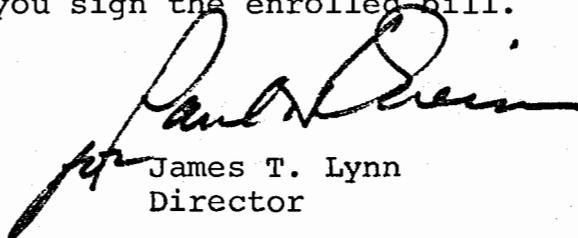
<u>Appropriations Requested:</u> (in millions)	<u>Budget Estimate</u>	<u>Enrolled Bill</u>	<u>Congressional Change</u>
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Outlay Effect: FY 1975: -\$666 million; FY 1976: -\$502 million.

Highlights: .

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Recommendation: That you sign the enrolled bill.

  
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Agency Recommendation

Office of Management and Budget

Approval

Affected agencies

Approval  
(informally)

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Recommendation: That you sign the enrolled bill.

Attachment

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Foreign Assistance and Related Programs  
Appropriation Act  
(in millions of dollars)

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<u>Program Limitations</u>			
Export-Import Bank	(6403.0)	(6403.0)	--
Inter-American Foundation	( 10.0)	( 10.0)	--

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

MAR 26 1975

MEMORANDUM FOR THE PRESIDENT

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SUBJECT: Enrolled bill H.R. 4592, the Foreign  
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WASHINGTON, D.C. 20503

MAR 26 1975

MEMORANDUM FOR THE PRESIDENT

**Subject:** Enrolled Bill H.R. 4592 - Foreign Assistance and  
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Sponsor - Representative Passman (D), Louisiana

Last Day for Action: April 7, 1975

Activities Affected: Foreign assistance programs.

<u>Appropriations Requested:</u> (in millions)	<u>Budget</u> <u>Estimate</u>	<u>Enrolled</u> <u>Bill</u>	<u>Congressional</u> <u>Change</u>
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Recommendation: That you sign the enrolled bill.

(signed) Paul H. O'Neill

*for* James T. Lynn  
Director

To File:

This draft incorporates changes made by Paul Theis (in blue) and changes worked out between NSC (Ransom) and OMB (Olgivy) (in pencil)

PRESIDENT'S SIGNING MESSAGE

all  
AR  
KQ

I have signed H. R. 4592 (the Foreign Assistance and Related Programs Appropriation Act of 1975) with considerable misgivings. The <sup>considerable</sup> ~~sizeable~~ reductions in overseas assistance programs -- which the Congress authorized only three months ago -- could prove detrimental to American interests ~~both~~ <sup>at home and abroad.</sup> The Administration sought appropriations that would reflect the same spirit of constructive compromise that characterized our cooperative efforts in December.

I continue to believe that the interests of the United States in an increasingly interdependent community of nations require our purposeful and responsible participation. Such participation is ~~clearly~~ impossible if the Administration's best estimates <sup>of</sup> for a balanced foreign assistance program are subjected to <sup>(dramatic)</sup> reductions ~~of these dimensions.~~

reductions of these ~~dramatic~~ dimensions.  
drastic

~~I am, however, pleased that the Middle East package requested by the Administration has been approved without a cut. This is a <sup>reassuring</sup> heartening display of bipartisan support for aid in support of the diplomatic policy we are following in this <sup>vital</sup> increasingly important area of the world.~~

~~Nonetheless,~~ I am disappointed that harmful cuts were inflicted in both the development and security assistance sectors. Interdependence applies not only to the present political and economic realities of America's role

in the global community, but also to the various modes of foreign assistance which we employ in our foreign policy. Programs of a humanitarian or developmental nature cannot be productive if our friends and allies are unable to defend themselves.

In the areas of humanitarian and development assistance, the \$200 million reduction in food and nutrition funds renders <sup>our efforts to</sup> ~~the problem of~~ <sup>e</sup> alleviating world hunger all the more difficult. The significant reduction in population planning funds will hamper <sup>initiatives related to</sup> ~~our efforts to deal with~~ this important factor in the long-term global food and health situation. <sup>deeply</sup> I ~~most~~ of all regret the action of <sup>the</sup> Congress in reducing the request for Indochina Postwar Reconstruction funds by over one half -- from \$939 million to \$440 million. At this crucial time, our friends in Vietnam and Cambodia are under heavy attack on the battlefield and must cope with enormous refugee problems.

I am also disappointed that the request for our voluntary contribution to international organizations and programs has been severely reduced. The impact of this reduction will be felt in the lessening of our financial support to the United Nations Development Program (UNDP). Our deep involvement in the UNDP over the years has been seen by many nations as symbolic of our commitment to work through multilateral as well as bilateral channels to assist the developing world ~~as espoused by the Congress~~

In the area of security assistance, I am ~~profoundly~~ disappointed in the massive reduction in funding for the Military Assistance Program. The program funds authorized by <sup>the</sup> Congress would have been barely adequate in terms of supplying needed military materiel to a small group of ~~allies~~ <sup>friendly countries</sup> unable to assume a greater financial share of their ~~mutual~~ security burden through credit or cash purchases. However, the appropriation of less than half of this sum has jeopardized these critical programs. Simultaneously cutting its appropriations for foreign military sales credits ~~by over~~ <sup>by over</sup> ~~twenty-five percent~~ accentuates the difficulties created by the deep cuts in the military assistance program.

Finally, I am troubled <sup>because</sup> ~~by the fact that~~ inevitable reductions in the overall quantity and quality of our development and security assistance programs will occur at precisely the time when America's assistance is vitally needed. I fervently hope that the Congress will give urgent attention to the interlocking relationship of America's present problems at home and abroad and provide future funding that will be commensurate with our stated principles and national self-interest.

PRESIDENT'S SIGNING MESSAGE

I have signed H. R. 4592 (the Foreign Assistance and Related Programs Appropriation Act of 1975) with considerable misgivings. The sizeable reductions in overseas assistance programs -- which the Congress authorized only three months ago -- could prove detrimental to American interests both at home and abroad. The Administration sought appropriations that would reflect the same spirit of constructive compromise that characterized our cooperative efforts in December. I continue to believe that the interests of the United States in an increasingly interdependent community of nations require our purposeful and responsible participation. Such participation is clearly impossible if the Administration's best estimates for a balanced foreign assistance program are subjected to reductions of these dimensions.

*— Hold for review by State —*

I am, however, pleased that the Middle East package requested by the Administration has been approved without a cut. This is a heartening display of bipartisan support for aid in support of the diplomatic policy we are following in this increasingly important area of the world.

~~Something~~ I am disappointed that harmful cuts were inflicted in both the development and security assistance sectors. Interdependence applies not only to the present political and economic realities of America's role

in the global community, but also to the various modes of foreign assistance which we employ in our foreign policy. Programs of a humanitarian or developmental nature cannot be productive if our friends and allies are unable to defend themselves.

In the areas of humanitarian and development assistance, the \$200 million reduction in food and nutrition funds renders the problem of alleviating world hunger all the more difficult. The significant reduction in population planning funds will hamper our efforts to deal with this important factor in the long-term global food and health situation. I most of all regret the action of Congress in reducing the request for Indochina Postwar Reconstruction funds by over one half -- from \$939 million to \$440 million. At this crucial time, our friends in Vietnam and Cambodia are under heavy attack on the battlefield and must cope with enormous refugee problems.

I am also disappointed that the request for our voluntary contribution to international organizations and programs has been severely reduced. The impact of this reduction will be felt in the lessening of our financial support to the United Nations Development Program (UNDP). Our deep involvement in the UNDP over the years has been seen by many nations as symbolic of our commitment to work through multilateral as well as bilateral channels to assist the developing world espoused by the Congress.

of NSF

In the area of security assistance, I am ~~profoundly~~ disappointed in the massive reduction in funding for the Military Assistance Program. The program funds authorized by Congress would have been barely adequate in terms of supplying needed military materiel to a small group of ~~allies~~ <sup>friendly countries</sup> unable to assume a greater financial share of their ~~mutual~~ security burden through credit or cash purchases. However, the appropriation of less than half of this sum has jeopardized these critical programs. Simultaneously cutting its appropriations for foreign military sales credits ~~by over twenty-five percent~~ accentuates the difficulties created by the deep cuts in the military assistance program.

Finally, I am troubled by the fact that inevitable reductions in the overall quantity and quality of our development and security assistance programs will occur at precisely the time when America's assistance is vitally needed. I fervently hope that the Congress will give urgent attention to the interlocking relationship of America's present problems at home and abroad and provide future funding that will be commensurate with our stated principles and national self-interest.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: March 26, 1975

Time: 4:30 pm

FOR ACTION: NSC/S  
Max Friedersdorf  
Ken Lazarus  
Richard Parsons

cc (for information): Warren Hendriks  
Jack Marsh  
Jim Cavanaugh

FROM THE STAFF SECRETARY

DUE: Date: March 26

Time: 5:30pm

SUBJECT:

Enrolled Bill H.R. 4592-Foreign Assistance and  
Related Program Appropriation Act, 1975

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

No objection. -- Ken Lazarus

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Warren M. Hendriks  
For the President

PRESIDENT'S SIGNING MESSAGE

I have signed H. R. 4592 (the Foreign Assistance and Related Programs Appropriation Act of 1975) with considerable misgivings. The sizeable reductions in overseas assistance programs -- which the Congress authorized only three months ago -- could prove detrimental to American interests both at home and abroad. The Administration sought appropriations that would reflect the same spirit of constructive compromise that characterized our cooperative efforts in December. I continue to believe that the interests of the United States in an increasingly interdependent community of nations require our purposeful and responsible participation. Such participation is clearly impossible if the Administration's best estimates for a balanced foreign assistance program are subjected to reductions of these dimensions.

I am, however, pleased that the Middle East package requested by the Administration has been approved without a cut. This is a heartening display of bipartisan support for aid in support of the diplomatic policy we are following in this increasingly important area of the world.

Nonetheless, I am disappointed that harmful cuts were inflicted in both the development and security assistance sectors. Interdependence applies not only to the present political and economic realities of America's role



in the global community, but also to the various modes of foreign assistance which we employ in our foreign policy. Programs of a humanitarian or developmental nature cannot be productive if our friends and allies are unable to defend themselves.

In the areas of humanitarian and development assistance, the \$200 million reduction in food and nutrition funds renders the problem of alleviating world hunger all the more difficult. The significant reduction in population planning funds will hamper our efforts to deal with this important factor in the long-term global food and health situation. I most of all regret the action of Congress in reducing the request for Indochina Postwar Reconstruction funds by over one half -- from \$939 million to \$440 million. At this crucial time, our friends in Vietnam and Cambodia are under heavy attack on the battlefield and must cope with enormous refugee problems.

I am also disappointed that the request for our voluntary contribution to international organizations and programs has been severely reduced. The impact of this reduction will be felt in the lessening of our financial support to the United Nations Development Program (UNDP). Our deep involvement in the UNDP over the years has been seen by many nations as symbolic of our commitment to work through multilateral as well as bilateral channels to assist the developing world espoused by the Congress.

In the area of security assistance, I am profoundly disappointed in the massive reduction in funding for the Military Assistance Program. The program funds authorized by Congress would have been barely adequate in terms of supplying needed military materiel to a small group of allies unable to assume a greater financial share of their mutual security burden through credit or cash purchases. However, the appropriation of less than half of this sum has jeopardized these critical programs. Simultaneously cutting its appropriations for foreign military sales credits by over twenty-five percent accentuates the difficulties created by the deep cuts in the military assistance program.

Finally, I am troubled by the fact that inevitable reductions in the overall quantity and quality of our development and security assistance programs will occur at precisely the time when America's assistance is vitally needed. I fervently hope that the Congress will give urgent attention to the interlocking relationship of America's present problems at home and abroad and provide future funding that will be commensurate with our stated principles and national self-interest.

H. R. 4592

# Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,  
one thousand nine hundred and seventy-five*

## An Act

Making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1975, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Foreign Assistance and related programs for the fiscal year ending June 30, 1975, and for the other purposes, namely:

### TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES

#### FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, as amended, and for other purposes, to remain available until June 30, 1975, unless otherwise specified herein, as follows:

#### ECONOMIC ASSISTANCE

Food and nutrition, Development Assistance: For necessary expenses to carry out the provisions of section 103, \$300,000,000: *Provided*, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans, together all such amounts to remain available until expended.

Population planning and health, Development Assistance: For necessary expenses to carry out the provisions of section 104, \$125,000,000: *Provided*, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans, together all such amounts to remain available until expended: *Provided further*, That not more than \$110,000,000 appropriated or made available under this Act shall be used for the purposes of section 291 during the current fiscal year.

Education and human resources development, Development Assistance: For necessary expenses to carry out the provisions of section 105, \$82,000,000: *Provided*, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans, together all such amounts to remain available until expended.

Selected development problems, Development Assistance: For necessary expenses to carry out the provisions of section 106, \$37,000,000, of which not more than \$500,000 shall be available for the National Association of the Partners of the Alliance, Inc.: *Provided*, That in addition to the amount provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans, together all such amounts to remain available until expended.

Selected countries and organizations, Development Assistance: For necessary expenses to carry out the provisions of section 107, \$30,000,000: *Provided*, That in addition to the amounts provided for loans to carry out the purposes of this paragraph, such amounts as are provided for under section 203 shall also be available for loans, together all such amounts to remain available until expended.

Loan allocation, Development Assistance: Of the new obligational authority appropriated under this Act to carry out the provisions of sections 103–107, not less than \$175,000,000 shall be available for loans.

International organizations and programs: For necessary expenses to carry out the provisions of section 301, \$125,000,000, of which not more than \$17,000,000 shall be available for the United Nations Children's Fund: *Provided*, That none of the funds appropriated or made available pursuant to this Act shall be used to supplement the funds provided to the United Nations Development Program in fiscal year 1974.

United Nations Environment Fund: For necessary expenses to carry out the provisions of section 2 of the United Nations Environment Program Participation Act of 1973, \$5,000,000.

American schools and hospitals abroad: For necessary expenses to carry out the provisions of section 214, \$17,500,000.

American schools and hospitals abroad (special foreign currency program): For necessary expenses to carry out the provisions of section 214, \$6,500,000 in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States, to remain available until expended.

Indus Basin Development Fund, grants: For necessary expenses to carry out the provisions of section 302(b)(2) with respect to Indus Basin Development Fund, grants, \$9,000,000: *Provided*, That no other funds appropriated or made available under this Act shall be used for the purposes of such section during the current fiscal year.

Indus Basin Development Fund, loans: For expenses authorized by section 302(b)(1), \$200,000, to remain available until expended: *Provided*, That no other funds appropriated or made available under this Act shall be used for the purposes of such section during the current fiscal year.

Contingency fund: For necessary expenses, \$1,800,000, to be used for the purposes set forth in section 451.

International narcotics control: For necessary expenses to carry out the provisions of section 481, \$17,500,000.

Famine or disaster relief assistance: For necessary expenses to carry out the provisions of section 639, \$35,000,000: *Provided*, That of the funds appropriated under this paragraph, \$25,000,000 shall be allocated to Cyprus.

Assistance to Portugal and Portuguese colonies in Africa gaining independence: For necessary expenses to carry out the provisions of section 496, \$25,000,000: *Provided*, That of the funds appropriated under this paragraph, not less than \$5,000,000 shall be allocated for the Cape Verde Islands and not less than \$5,000,000 shall be allocated for Mozambique, Guinea-Bissau, and Angola.

Transfer of funds: Payment to the Foreign Service Retirement and Disability Fund: For payment to the "Foreign Service retirement and disability fund," as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 1105–1106), \$16,080,000, of which \$15,600,000 is to be derived from the appropriation provided to the Department of State under this heading in the Department of State Appropriation Act, 1975, and \$480,000 is to be derived by transfer from funds made available for development assistance for fiscal year 1975.

Administrative expenses: For necessary expenses, \$40,000,000, to be used for the purposes set forth in section 637(a).

Administrative and other expenses: For expenses authorized by section 637(b) of the Foreign Assistance Act of 1961, as amended,

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and by section 305 of the Mutual Defense Assistance Control Act of 1951, as amended, \$4,800,000.

Except for the Contingency Fund, unobligated balances as of June 30, 1974, of funds heretofore made available under the authority of the Foreign Assistance Act of 1961, as amended, except as otherwise provided by law, are hereby continued available for the fiscal year 1975, for the same general purposes for which appropriated and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961, as amended, for the same general purpose as any of the subparagraphs under "Economic Assistance," "Middle East Special Requirements Fund," "Security Supporting Assistance," and "Indochina Postwar Reconstruction Assistance," are hereby continued available for the same period as the respective appropriations in such subparagraphs for the same general purpose: *Provided*, That such unobligated balances as of June 30, 1974, and such amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made under the authority of section 531 of the Foreign Assistance Act of 1961, as amended, are hereby continued available for the fiscal year 1975 for expenses to carry out the provisions of section 531 or section 801 of the Foreign Assistance Act of 1961, as amended: *Provided further*, That such purpose relates to a project or program previously justified to Congress and the Committees on Appropriations of the House of Representatives and the Senate are notified prior to the reobligation of funds for such projects or programs.

INDOCHINA POSTWAR RECONSTRUCTION ASSISTANCE

Indochina postwar reconstruction assistance: For necessary expenses to carry out the provisions of section 801 of the Foreign Assistance Act of 1961, as amended, and section 36(a) of the Foreign Assistance Act of 1974, \$440,000,000.

MIDDLE EAST SPECIAL REQUIREMENTS FUND

Middle East special requirements fund: For necessary expenses to carry out the provisions of section 901 and section 903 of the Foreign Assistance Act of 1961, as amended, \$100,000,000.

SECURITY SUPPORTING ASSISTANCE

Security supporting assistance: For necessary expenses to carry out the provisions of section 531 of the Foreign Assistance Act of 1961, as amended, \$660,000,000: *Provided*, That of the funds appropriated under this paragraph, not less than \$324,500,000 shall be allocated to Israel and not less than \$250,000,000 shall be allocated to Egypt and not less than \$77,500,000 shall be allocated to Jordan.

MILITARY ASSISTANCE

Military assistance: For necessary expenses to carry out the provisions of section 503 of the Foreign Assistance Act of 1961, as amended, including administrative expenses and purchase of passenger motor vehicles for replacement only for use outside of the United States, \$475,000,000: *Provided*, That none of the funds contained in this paragraph shall be available for the purchase of new

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automotive vehicles outside of the United States: *Provided further*, That the total number of flag and general officers of the United States Armed Forces assigned or detailed to military assistance advisory groups, military missions, or similar organizations, or performing duties primarily with respect to the Military Assistance Program and the Foreign Military Sales Program shall not exceed twenty after May 1, 1975.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The Overseas Private Investment Corporation is authorized to make such expenditures within the limits of funds available to it and in accordance with law (including not to exceed \$10,000 for entertainment allowances), and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out the program set forth in the budget for the current fiscal year.

INTER-AMERICAN FOUNDATION

The Inter-American Foundation is authorized to make such expenditures within the limits of funds available to it and in accordance with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out its authorized programs during the current fiscal year: *Provided*, That not to exceed \$10,000,000 shall be available to carry out the authorized programs during the current fiscal year.

GENERAL PROVISIONS

**SEC. 101.** None of the funds herein appropriated (other than funds appropriated for "International organizations and programs" and "Indus Basin Development Fund") shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation, and other water and related land resource programs and projects proposed for construction within the United States of America as per memorandum of the President dated May 15, 1962.

**SEC. 102.** Except for the appropriations entitled "Contingency fund", "Famine or disaster relief assistance", and appropriations of funds to be used for loans, not more than 20 per centum of any appropriation item made available by this title shall be obligated and/or reserved during the last month of availability.

**SEC. 103.** None of the funds herein appropriated nor any of the counterpart funds generated as a result of assistance hereunder or any prior Act shall be used to pay pensions, annuities, retirement pay, or adjusted service compensation for any persons heretofore or hereafter serving in the armed forces of any recipient country.

**SEC. 104.** None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for making payments on any contract for procurement to which the United States is a party entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.

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SEC. 105. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any capital project financed by loans or grants from the United States where the United States has not directly approved the terms of the contracts and the firms to provide engineering, procurement, and construction services on such projects.

SEC. 106. Of the funds appropriated or made available pursuant to this Act, not more than \$12,000,000 may be used during the fiscal year ending June 30, 1975, in carrying out research under section 241 of the Foreign Assistance Act of 1961, as amended.

SEC. 107. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

SEC. 108. None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be obligated for financing, in whole or in part, the direct costs of any contract for the construction of facilities and installations in any underdeveloped country, unless the President shall have promulgated regulations designed to assure, to the maximum extent consistent with the national interest and the avoidance of excessive costs to the United States, that none of the funds made available by this Act and thereafter obligated shall be used to finance the direct costs under such contracts for construction work performed by persons other than qualified nationals of the recipient country or qualified citizens of the United States: *Provided, however,* That the President may waive the application of this section if it is important to the national interest.

SEC. 109. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to finance the procurement of iron and steel products for use in Vietnam containing any component acquired by the producer of the commodity, in the form in which imported into the country of production, from sources other than the United States.

SEC. 110. None of the funds contained in title I of this Act may be used to carry out the provisions of sections 209(d) and 251(h) of the Foreign Assistance Act of 1961, as amended.

SEC. 111. None of the funds appropriated or made available pursuant to this Act shall be used to provide assistance to the Democratic Republic of Vietnam (North Vietnam).

SEC. 112. None of the funds appropriated or made available pursuant to this Act, and no local currencies generated as a result of assistance furnished under this Act, may be used for the support of police, or prison construction and administration within South Vietnam, for training, including computer training, of South Vietnamese with respect to police, criminal, or prison matters, or for computers or computer parts for use for South Vietnam with respect to police, criminal, or prison matters.

SEC. 113. None of the funds made available under this Act for "Food and Nutrition, Development Assistance," "Population Planning and Health, Development Assistance," "Education and Human Resources Development, Development Assistance," "Selected Development Problems, Development Assistance," "Selected Countries and Organizations, Development Assistance," "International Organizations and Programs," "United Nations Environment Fund," "American Schools and Hospitals Abroad," "Indus Basin Development Fund," "International Narcotics Control," "Assistance to Portugal and Portuguese

colonies in Africa gaining independence," "Administrative expenses, Agency for International Development," "Indochina postwar reconstruction assistance," "Security supporting assistance," "Middle East special requirements fund," "Military assistance," "Inter-American Foundation," "Peace Corps," "Migration and refugee assistance," "Assistance to Refugees From the Soviet Union," or "Assistance to Palestinian Refugees" shall be available for obligation for activities, programs, projects, countries, or other operations unless the Committees on Appropriations of the Senate and House of Representatives are previously notified fifteen days in advance.

## TITLE II—FOREIGN MILITARY CREDIT SALES

### FOREIGN MILITARY CREDIT SALES

For expenses not otherwise provided for, necessary to enable the President to carry out the provisions of the Foreign Military Sales Act, \$300,000,000: *Provided*, That of the amount provided for the total aggregate credit sale ceiling during the current fiscal year, not less than \$300,000,000 shall be allocated to Israel.

## TITLE III—FOREIGN ASSISTANCE (OTHER)

### INDEPENDENT AGENCY

#### ACTION—INTERNATIONAL PROGRAMS

##### PEACE CORPS

For expenses necessary for Action to carry out the provisions of the Peace Corps Act (75 Stat. 612), as amended, \$77,000,000: *Provided*, That of this amount \$44,500,000 shall be available only for the direct support of volunteers.

### DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

#### ASSISTANCE TO REFUGEES IN THE UNITED STATES

For expenses necessary to carry out the provisions of the Migration and Refugee Assistance Act of 1962 (Public Law 87-510), relating to aid to refugees within the United States, including hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, \$90,000,000.

### DEPARTMENT OF STATE

#### MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross and assistance to refugees, including contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158); allowances as authorized by 5 U.S.C. 5921-5925; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109; \$8,420,000, of which not to exceed \$8,080,000 shall remain available until December 31, 1975: *Provided*, That no funds herein appropriated

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shall be used to assist directly in the migration to any nation in the Western Hemisphere of any person not having a security clearance based on reasonable standards to insure against Communist infiltration in the Western Hemisphere.

ASSISTANCE TO REFUGEES FROM THE SOVIET UNION

For necessary expenses to carry out the provisions of section 101 (b) of the Foreign Relations Authorization Act of 1972, \$40,000,000.

ASSISTANCE TO PALESTINIAN REFUGEES

For necessary expenses to provide assistance to Palestinian Refugees, \$10,000,000.

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

INVESTMENT IN ASIAN DEVELOPMENT BANK

For payment by the Secretary of the Treasury of the United States to be contributed to the Asian Development Bank \$74,126,982, to remain available until expended, of which \$50,000,000 will be contributed to the Special Funds Resources of the Bank as authorized by the Act of March 10, 1972, as amended (Public Law 92-245), and of which \$24,126,982 will be paid for an increase in the United States subscription to the paid-in capital of the Ordinary Capital of the Bank, as authorized by the Act of December 22, 1974 (Public Law 93-537).

INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury for the United States share of the increase in the resources of the Fund for Special Operations authorized by the Acts of December 30, 1970 (Public Law 91-599), and March 10, 1972 (Public Law 92-246), \$225,000,000, to remain available until expended: *provided*, that of this amount \$25,000,000 shall be made available only to responsible cooperatives whose primary purpose is to increase the productive capacity of rural and urban citizens at the most economically disadvantaged level: *provided further*, that \$10,000,000 of this amount shall be made available only to local credit unions or national or regional federations thereof, whose primary purpose is to increase the productive capacity of rural and urban citizens at the most economically disadvantaged level: *provided further*, that \$15,000,000 of this amount shall be made available only to responsible savings and loan associations or other mortgage credit institutions, or national or regional federations thereof, whose primary purpose is to provide basic housing to rural and urban citizens at the most economically disadvantaged level.

INVESTMENT IN INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment by the Secretary of the Treasury of the third installment of the United States contribution to the third replenishment of the resources of the International Development Association as authorized by the Act of March 10, 1972 (Public Law 92-247), \$320,000,000, to remain available until expended.

TITLE IV—EXPORT-IMPORT BANK OF THE  
UNITED STATES

The Export-Import Bank of the United States is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided.

LIMITATION ON PROGRAM ACTIVITY

Not to exceed \$6,403,086,000 (of which not to exceed \$3,395,000,000 shall be for equipment and services loans) shall be authorized during the current fiscal year for other than administrative expenses.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed \$10,242,000 (to be computed on an accrual basis) shall be available during the current fiscal year for administrative expenses, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, and not to exceed \$24,000 for entertainment allowances for members of the Board of Directors: *Provided*, That (1) fees or dues to international organizations of credit institutions engaged in financing foreign trade, (2) necessary expenses (including special services performed on a contract or a fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the Bank or in which it has an interest, including expenses of collections of pledged collateral, or the investigation or appraisal of any property in respect to which an application for a loan has been made, and (3) expenses (other than internal expenses of the Bank) incurred in connection with the issuance and servicing of guarantees, insurance, and reinsurance, shall be considered as nonadministrative expenses for the purposes hereof.

TITLE V—GENERAL PROVISIONS

SEC. 501. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 502. No part of any appropriation contained in this Act shall be used for expenses of the Inspector General, Foreign Assistance, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering foreign assistance legislation, appropriations, or expenditures, has delivered to the Office of the Inspector General, Foreign Assistance, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in the custody or control of the Inspector General, Foreign Assistance, relating to any review, inspection or audit arranged for, directed, or conducted by him, unless and until there has been furnished to the General Accounting Office or to such committee or subcommittee, as the case may be, (A) the document, paper, communication, audit, review, finding, recommendation, report, or

other material so requested or (B) a certification by the President, personally, that he has forbidden the furnishing thereof pursuant to such request and his reason for so doing.

SEC. 503. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 504. None of the funds contained in this Act shall be used to furnish petroleum fuels produced in the continental United States to Southeast Asia for use by non-United States nationals.

SEC. 505. No part of any appropriation, funds, or other authority contained in this Act shall be available for paying to the Administrator of the General Services Administration in excess of 90 per centum of the standard level user charge established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended, for space and services.

This Act may be cited as the "Foreign Assistance and Related Programs Appropriations Act, 1975".

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*

ACTION

THE WHITE HOUSE

WASHINGTON

March 27, 1975

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON *J.C.*

SUBJECT:

Signing Statement for H.R. 4592

Attached for your consideration is a signing statement for the Foreign Assistance and Related Programs Appropriation Act of 1975 which you signed last night.

NSC, OMB, Max Friedersdorf and Phil Buchen (Lazarus) recommend approval of the statement which has been cleared by Paul Theis.

RECOMMENDATION

That you approve the signing statement at Tab A.

Approve *EMT*

Disapprove \_\_\_\_\_

STATEMENT BY THE PRESIDENT

I have signed H.R. 4592 (the Foreign Assistance and Related Programs Appropriation Act of 1975) with considerable misgivings. The considerable reductions in overseas assistance programs -- which the Congress authorized only three months ago -- could prove detrimental to American interests at home and abroad.

The Administration sought appropriations that would reflect the same spirit of constructive compromise that characterized our cooperative efforts in December. I continue to believe that the interests of the United States in an increasingly interdependent community of nations require our purposeful and responsible participation. Such participation is impossible if the Administration's best estimates of a balanced foreign assistance program are subjected to reductions of these drastic dimensions.

I am disappointed that harmful cuts were inflicted in both the development and security assistance sectors. Interdependence applies not only to the present political and economic realities of America's role in the global community, but also to the various modes of foreign assistance which we employ in our foreign policy. Programs of a humanitarian or developmental nature cannot be productive if our friends and allies are unable to defend themselves.

In the areas of humanitarian and development assistance, the \$200 million reduction in food and nutrition funds renders our efforts to alleviate world hunger all the more difficult. The significant reduction in population planning funds will hamper initiatives related to this important factor in the long-term global food and health situation.

I deeply regret the action of the Congress in reducing the request for Indochina Postwar Reconstruction funds by over one half -- from \$939 million to \$440 million. At this crucial time, our friends in Vietnam and Cambodia are under heavy attack on the battlefield and must cope with enormous refugee problems.

I am also disappointed that the request for our voluntary contribution to international organizations and programs has been severely reduced. The impact of this reduction will be felt in the lessening of our financial support to the United Nations Development Program (UNDP). Our deep involvement in the UNDP over the years has been seen by many nations as symbolic of our commitment to work through multilateral as well as bilateral channels to assist the developing world.

In the area of security assistance, I am disappointed in the massive reduction in funding for the Military Assistance Program. The program funds authorized by the Congress would have been barely adequate in terms of supplying needed military materiel to a small group of friendly countries unable to assume a greater financial share of their security burden through credit or cash purchases. However, the appropriation of less than half of this sum has jeopardized these critical programs. Simultaneously cutting its appropriations for foreign military sales credits accentuates the difficulties created by the deep cuts in the military assistance program.

Finally, I am troubled because reductions in the overall quantity and quality of our development and security assistance programs will occur at precisely the time when America's assistance is vitally needed. I

fervently hope that the Congress will give urgent attention to the interlocking relationship of America's present problems at home and abroad and provide future funding that will be commensurate with our stated principles and national self-interest.

*Ronald R. Ford*



## Office of the White House Press Secretary

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THE WHITE HOUSE

## STATEMENT BY THE PRESIDENT

I have signed H.R. 4592 (the Foreign Assistance and Related Programs Appropriation Act of 1975) with considerable misgivings. The considerable reductions in overseas assistance programs -- which the Congress authorized only three months ago -- could prove detrimental to American interests at home and abroad.

The Administration sought appropriations that would reflect the same spirit of constructive compromise that characterized our cooperative efforts in December. I continue to believe that the interests of the United States in an increasingly interdependent community of nations require our purposeful and responsible participation. Such participation is impossible if the Administration's best estimates of a balanced foreign assistance program are subjected to reductions of these drastic dimensions.

I am disappointed that harmful cuts were inflicted in both the development and security assistance sectors. Interdependence applies not only to the present political and economic realities of America's role in the global community, but also to the various modes of foreign assistance which we employ in our foreign policy. Programs of a humanitarian or developmental nature cannot be productive if our friends and allies are unable to defend themselves.

In the areas of humanitarian and development assistance, the \$200 million reduction in food and nutrition funds renders our efforts to alleviate world hunger all the more difficult. The significant reduction in population planning funds will hamper initiatives related to this important factor in the long-term global food and health situation. I deeply regret the action of the Congress in reducing the request for Indochina Postwar Reconstruction funds by over one half -- from \$939 million to \$440 million. At this crucial time, our friends in Vietnam and Cambodia are under heavy attack on the battlefield and must cope with enormous refugee problems.

I am also disappointed that the request for our voluntary contribution to international organizations and programs has been severely reduced. The impact of this reduction will be felt in the lessening of our financial support to the United Nations Development Program (UNDP). Our deep involvement in the UNDP over the years has been seen by many nations as symbolic of our commitment to work through multilateral as well as bilateral channels to assist the developing world.

In the area of security assistance, I am disappointed in the massive reduction in funding for the Military Assistance Program. The program funds authorized by the Congress would have been barely adequate in terms of

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supplying needed military materiel to a small group of friendly countries unable to assume a greater financial share of their security burden through credit or cash purchases. However, the appropriation of less than half of this sum has jeopardized these critical programs. Simultaneously cutting its appropriations for foreign military sales credits accentuates the difficulties created by the deep cuts in the military assistance program.

Finally, I am troubled because reductions in the overall quantity and quality of our development and security assistance programs will occur at precisely the time when America's assistance is vitally needed. I fervently hope that the Congress will give urgent attention to the interlocking relationship of America's present problems at home and abroad and provide future funding that will be commensurate with our stated principles and national self-interest.

# # # #

March 26, 1975

Dear Mr. Director:

The following bill was received at the White House on March 26th:

H.R. 4592

Please let the President have reports and recommendations as to the approval of this bill as soon as possible.

Sincerely,

Robert D. Linder  
Chief Executive Clerk

The Honorable James T. Lynn  
Director  
Office of Management and Budget  
Washington, D. C.