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X

Nixon

Clean Air Act Amended - 10:30 AM
Excluded Present standard

Panama Canal Settlement

X

Murphy Com = Photo. Received and will be reviewed & studied. Approvals work of commission.

Church Com (Changes of procedures)

X

Nuclear ~~Strategy~~ Strategy | ^{Challenges} will take Q's

VP Stobb = Susan Becker (now)

replacing Ann Whitman, who
go to VP's N.Y. Stobb (intended
to come here only to organize
VP Stobb and that's done.



Uranium Enrichment = Foreign investment?

X

~~Ogala Sioux~~ Ogala Sioux = G.F. Ballouin

Contributions
PFC

St. 916

1200 18th St NW
Wash DC 20036

India (press ~~censorship~~ censorship) always oppose to press censorship. Refer to P.O.S.

Cisco re aid
to Egypt, Israel.
Tied to progress or peace

X

Dinity? Confirm?
Javit

X

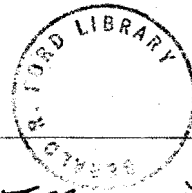
Javit asked for time to discuss
something with G.F.

G.F. asked Dinity to come in
briefly for a brief roundup
of the ME situation.

Ann

Ann.

Nuclear



Forces, nuclear & conven, fast & cheap. Have 2 purposes.

1) Defense =

2) Deterrence

To the extent that we discuss in detail the options, there is the danger we will lose our To Deterrence in certain areas. ~~What~~ we spell out what we would and would not do in ~~certain circumstances~~ ^{we tend to undermine} ~~that we lose~~ their deterrent value.

- 2 -

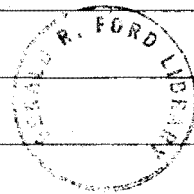
Forgoed = First strike?

Panama Canal Statement
Get it from HAK.

HAK = Because of review and
experience of HAK, believe he
can handle both jobs.

Indians shooting ^{5 additional}
Expect to be kept informed. Tragic ~~can~~
loss of life. ~~additioned by loss of lives~~
~~as FBI agents.~~

Expect full investigation.
and justice to be done.



THE WHITE HOUSE

WASHINGTON

6/27/75

To: Ron Nessen
From: Jim Shuman

1. Made statement yesterday
2. By mid-afternoon the number of people who wanted to talk with me had reached nearly 15. So I called them into my office as a group and we discussed the subject further. There was no attempt to exclude anyone. Selection of those I talked with was made in response to their requests for information.
3. Will be meeting with Press Office staff this weekend to discuss ways of improving the operation of the Press Office so that it can better serve the Press, and the public.
4. When you return would like to discuss Press Office recommendations with the press, either the leaders of the White House Correspondents Association or an ad hoc committee, if you ~~Q~~ [the White House Press] feel that is better.
5. ~~MEANWHILE~~ Meanwhile, you would appreciate the reporters thinking on how procedures can be improved so that we can improve operations to everyone's satisfaction as quickly as possible.

THE WHITE HOUSE
WASHINGTON

TO: RON NESSEN
VIA: ANES WALDRON
FROM: PAT PETRONE

Perhaps some of this
information will be
helpful to you.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

June 26, 1975

TO: JACK CASSERLY, BOB ORBEN
VIA: AGNES WALDRON
FROM: PAT PETRONE

SUBJECT: The Mid-America Committee for international business
and government cooperation, inc. -- Dinner
Chicago, Friday, July 11, 1975

PURPOSE OF ORGANIZATION:

The Mid-America Committee was formed in cooperation with the State Department as a platform for bringing foreign and domestic officials together for financial, business, and commercial exchanges.

The Committee was the first high level business group to go to the Mid-East (last Spring) and will visit the People's Republic of China this Fall.

MEETINGS:

The standard format is a speech followed by a question and answer period. (Whether or not the President will participate in the Q&A period has not been decided)

These gatherings are dependent upon high level speaker availability, therefore, several may be held one week and then another several weeks later. A sample list of past speakers is included. Most Cabinet members have participated in the past when they have been in the Midwest. President Nixon has addressed the group.

GROUP COMPOSITION:

The group is composed of the elite members of large multinational commercial organizations. There are some 30 to 40 sponsors (note list on stationary) In total the group would also be composed of officers of the sponsoring organization and other groups sharing common interests, for example, labor and academia at the highest level. Estimated total of persons is two hundred active members.

The keystone word is international.

Basically the members of the group, and as a composite body, promote business opportunities throughout the world. Everyone tends to know everyone else -- money power -- well-informed

Illinois is a leading export State.

EVENT:

Anticipated Attendance: approximately 700 persons

Dinner will be preceeded by a reception at 5:30 pm.
The dress will be either black tie or dark business suit (undecided)
A violin ensemble may play during the dinner. The setting
is an elegant ballroom in The Palmer House hotel.

The President will probably be the only speaker with the
exception of a toast. (not yet certain who will give the toast)

Participants will include: the members of the sponsoring
organizations and influential interested parties, top labor officials,
possibly the Mayor, Governor, Senator and other civic officials,
members of the Presidential party (Mrs. Ford is expected to attend)
This will become clear as the advance team works with the group
and an official schedule of events is issued. Each sponsoring
organization may have a table, possibly a Consul General from
various industrial nations will also be seated at each of these tables.

SUBJECT MATTER:

The common ground is international trade -- free enterprise and
free trade. The group naturally would be interested in any topic the
President may wish to discuss. Obviously, the tone of the speech should
be addressed to a well informed, internationally minded group.

Frank Zarb has addressed the group in the past on energy.
Also, Mr. Thomas Miner who is the organizer of these events is also
involved in the MidAmerica-Arab Chamber of Commerce, Inc. which
promotes business opportunitites and better busines relations with the
Mid-East. Members of this organization will most likely attend the Dinner.
I would suggest that due to the critical negotiations going on regarding
energy, and the sensitivity of the matter this should not be the main
topic of discussion.

Again, international business and free enterprise which has been of major
interest to the Administration would be a suitable foundation.

CONTACTS:

Thomas H. Miner and Associated, Inc.
International Business Counsultants
135 South La Salle Street
Chicago (312-236-8745) Additional Contact is his Assistant:
Sharon Houtkamp

Mr. Miner is sending me some additional information

I would suggest the following contacts at OMB in the area of international affairs:

Mr. Donald Ogilvie
Assistant Director for National Security and International Affairs
x 3864 (he is out of town today, June 26)

Mr. Sanders
International Affairs Division
x 4770

At Treasury:

Mr. Dave Gergen
964-8615
(I believe he is Assistant to the Secretary)

These people would be helpful in the area of international trade. If they can not give you the information you need, I am sure they can direct you. If you would like I can contact them for you, but I felt it would be more helpful to you to speak with them yourself, if you decide to pursue this area.



**The
MID-AMERICA COMMITTEE**
for international business and government cooperation, inc.

135 So. La Salle Street
Chicago, Illinois 60603
Area Code 312-236-8745

April 3, 1975

ROGER E. ANDERSON
CHAIRMAN OF THE BOARD
CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

RUSSELL BAKER, SENIOR PARTNER
BAKER & MCKENZIE

JAMES F. BERÉ, PRESIDENT
BORG-WARNER CORPORATION

STANTON R. COOK
PUBLISHER & CHAIRMAN
THE CHICAGO TRIBUNE

DONALD ERICKSON, SENIOR PARTNER
ARTHUR ANDERSEN & CO.

GAYLORD FREEMAN
CHAIRMAN OF THE BOARD
THE FIRST NATIONAL BANK OF CHICAGO

WILLIAM A. HEWITT
CHAIRMAN OF THE BOARD
DEERE & COMPANY

WILLIAM G. KARNES
CHAIRMAN OF THE BOARD
BEATRICE FOODS CO.

RICHARD A. LENON, PRESIDENT
INTERNATIONAL MINERALS & CHEMICAL CORPORATION

JOHN O. LOGAN
PRESIDENT & CHAIRMAN
UNIVERSAL OIL PRODUCTS COMPANY

ROBERT H. MALOTT
CHAIRMAN OF THE BOARD
FMC CORPORATION

BROOKS MCCORMICK, PRESIDENT
INTERNATIONAL HARVESTER COMPANY

LEE L. MORGAN, PRESIDENT
CATERPILLAR TRACTOR CO.

WILLIAM F. MURRAY
CHAIRMAN OF THE BOARD
HARRIS TRUST AND SAVINGS BANK

ROBERT W. RENEXER
CHAIRMAN OF THE BOARD
ESMARK, INC.

EDWARD BYRON SMITH
CHAIRMAN OF THE BOARD
THE NORTHERN TRUST COMPANY

JOHN E. SWEARINGEN
CHAIRMAN OF THE BOARD
STANDARD OIL COMPANY (INDIANA)

HENRY G. VAN DER EB
CHAIRMAN OF THE BOARD
CONTAINER CORPORATION OF AMERICA

HAROLD F. WERHANE
CHAIRMAN OF THE BOARD
CULLIGAN INTERNATIONAL COMPANY

ARTHUR W. WOELFLE, PRESIDENT
KRAFTCO CORPORATION

ARTHUR M. WOOD
CHAIRMAN OF THE BOARD
SEARS, ROEBUCK AND CO.

THOMAS H. MINER

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

Dear Mr. President:

On your previous trips to Chicago, the Mid-America Committee had hoped to have the privilege of meeting with you. As you may be aware, this is the senior international business group in the Midwest. We have had the honor of bringing diplomats and senior government officials to Chicago for the past nine years to meet with the members of our Committee, some of whose names are included on this letterhead. Our guest list for the past two years is enclosed.

On behalf of the sponsors of the Mid-America Committee, I wish to renew our invitation to you to address us at either a break-fast or luncheon meeting or at dinner, should Mrs. Ford accompany you.

Our meetings are generally informal, private and off-the-record; however, we are prepared to be flexible in all matters. Our guest usually addresses the group for twenty to thirty minutes and then answers questions.

Our members have met with representatives of your Administration and with foreign Chiefs of State. It is our sincere hope that we will have the honor and privilege of meeting with our own Chief of State.

Respectfully,

Thomas H. Miner

THM:lt
Enclosure
cc: Warren S. Rustand



The MID-AMERICA COMMITTEE

for international business and government cooperation, inc.

July 11
135 So. La Salle Street
Chicago, Illinois 60603
Area Code 312-236-8745

The Mid-America Committee, over the past eight years, has sponsored meetings with heads of state, ambassadors, State Department officials, and other senior governmental figures. Among them are the following:

- 1966-67 W. Tapley Bennett, U.S. Ambassador to Portugal
George C. McGhee, U.S. Ambassador to Germany
Outerbridge Horsey, U.S. Ambassador to Czechoslovakia
Maurice Marshall Bernbaum, U.S. Ambassador to Venezuela
Walter P. McCaughy, U.S. Ambassador to the Republic of China
Parker Thompson Hart, U.S. Ambassador to Turkey
John Wesley Jones, U.S. Ambassador to Peru
Fulton Freeman, U.S. Ambassador to Mexico
Angier Biddle Duke, U.S. Ambassador to Spain
Covey Thomas Oliver, Assistant Secretary of State, Inter-American Affairs
Herbert Salzman, Assistant Administrator, Agency for International Development
John P. Lewis, Director, USAID Mission to India
Francis J. Galbraith, U.S. Ambassador to Singapore
William M. Roth, President's Special Representative for Trade Negotiations
Henry J. Tasca, U.S. Ambassador to Morocco
- 1968-69 William W. Heath, U.S. Ambassador to Sweden
Leonard Unger, U.S. Ambassador to Thailand
Dean Rusk, Secretary of State
George C. McGhee, Ambassador at Large
David D. Newsom, U.S. Ambassador to Libya
C. R. Smith, Secretary of Commerce
John W. Tufhill, U.S. Ambassador to Brazil
William Manning Rountree, U.S. Ambassador to South Africa
Robert J. Schaeitzel, U.S. Ambassador, American Mission to European Communities
Anthony Enahoro, Minister of Information and Labor, Republic of Nigeria
Howard R. Cottam, U.S. Ambassador to Kuwait
Jack Hood Vaughn, U.S. Ambassador to Colombia
Francis H. Russell, U.S. Ambassador to Tunisia
Maurice Marshall Bernbaum, U.S. Ambassador to Venezuela
Armin Henry Meyer, U.S. Ambassador to Japan
- 1970-71 Marshall Green, Assistant Secretary of State, East Asian and Pacific Affairs
John William Middendorf II, U.S. Ambassador to the Netherlands
Leonard Carpenter Meeker, U.S. Ambassador to Romania
Maurice J. Williams, Deputy Administrator, AID
Nobuhiko Ushiba, Ambassador of Japan to the U.S.
Dr. Glenn A. Olds, U.S. Representative to UN-ECOSOC
Nathaniel Samuels, Deputy Under Secretary of State, Economic Affairs
Shelby Cullom Davis, U.S. Ambassador to Switzerland
Dr. John A. Hannah, Administrator, Agency for International Development



The MID-AMERICA COMMITTEE

for international business and government cooperation, inc.

125 So. La Salle Street
Chicago, Illinois 60603
Area Code 312-238-6745

1970-71
(cont'd)

Adolph W. Schmidt, U.S. Ambassador to Canada
Charles A. Meyer, Assistant Secretary of State, Inter-American Affairs
Martin J. Hillenbrand, Assistant Secretary of State, European Affairs
Lakshmi Kant Jha, Ambassador of India to the U.S.
Francis J. Galbraith, U.S. Ambassador to Indonesia
Mohammed Yeganeh, Alternate Director, Middle Eastern Countries, IBRD
Joseph A. Greenwald, U.S. Ambassador to OECD

1972

William A. Stoltzfus, Jr., U.S. Ambassador to Kuwait
Robert H. McBride, U.S. Ambassador to Mexico
Frederick W. Flott, Counselor for Political Affairs, Djakarta
Martin J. Hillenbrand, U.S. Ambassador to Germany
George Bush, Permanent Representative of the U.S., United Nations
John Porter Humes, U.S. Ambassador to Austria
Toma Granfil, Ambassador of Yugoslavia to the U.S.
Luis Echeverria Alvarez, President of the United Mexican States
David D. Newsom, Assistant Secretary of State, African Affairs
Sultan Muhammad Khan, Ambassador of Pakistan to the U.S.
Dr. Curtis W. Tarr, Under Secretary of State, Security Assistance
William H. Sullivan, Deputy Assistant Secretary of State, East Asian and Pacific /
Walter P. McConaughy, U.S. Ambassador to the Republic of China
Nicholas G. Thacher, U.S. Ambassador to Saudi Arabia
Robert McClintock, U.S. Ambassador to Venezuela
David L. Osborn, Consul General of the U.S. in Hong Kong
Willis C. Armstrong, Assistant Secretary of State, Economic Affairs
Robert S. Ingersoll, U.S. Ambassador to Japan

1973

Peter G. Peterson, Ambassador at Large
William H. Sullivan, Deputy Assistant Secretary of State, East Asian and Pacific /
Frederick B. Dent, Secretary of Commerce
Marshall Green, U.S. Ambassador to Australia
Herbert Horowitz, Counselor for Commercial and Economic Affairs, U.S. Liaison
People's Republic of China
Henry Kearns, Chairman and President, The Export-Import Bank of the U.S.
João Paulo dos Reis Velloso, Minister of Planning, Brazil
Herbert Stein, Chairman, Council of Economic Advisors
Roy L. Ash, Director, Office of Management and Budget
Dr. Curtis W. Tarr, Under Secretary of State, Security Assistance
James E. Akins, U.S. Ambassador to Saudi Arabia
Robert Strausz-Hupé, U.S. Ambassador to Belgium
William D. Eberle, President's Special Representative for Trade Negotiations
Joseph A. Greenwald, U.S. Representative to the European Communities
Andrés Aguilar M., Ambassador of Venezuela to the U.S.



The MID-AMERICA COMMITTEE

for international business and government cooperation, inc.

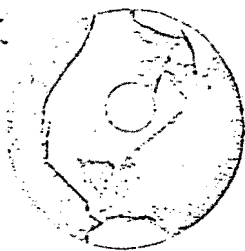
135 So. La Salle Street
Chicago, Illinois 60603
Area Code 312--236-8745

1974

Witold Trzempczynski, Ambassador of Poland to the U.S.
Rufus Z. Smith, Deputy Assistant Secretary of State, Canadian Affairs
John E. Reinhardt, U.S. Ambassador to Nigeria
John Richardson, Jr., Assistant Secretary of State, Cultural and Educational Affairs
Frederic V. Malek, Deputy Director, Office of Management and Budget
Helmut Schmidt, Minister of Finance, Federal Republic of Germany
Richard M. Nixon, President of the United States
Martin F. Herz, U.S. Ambassador to the People's Republic of Bulgaria
Johan S. F. Botha, Ambassador of South Africa to the U.S.
John C. Sawhill, Administrator, Federal Energy Office
John M. Garba, Ambassador of Nigeria to the U.S.
Robert S. Ingersoll, Assistant Secretary of State, East Asian and Pacific Affairs
Joseph M. A. H. Luns, Secretary General, NATO
Horacio Rivera, U.S. Ambassador to Spain
Sir Peter Ramsbotham, Ambassador of Great Britain to the U.S.
U. Alexis Johnson, Ambassador at Large, & U.S. Representative & Chief
of the U.S. Delegation to SALT II
Commercial Officials, People's Republic of China Liaison Office and Christoph
Phillips, President, The National Council for U.S.-China Trade
Frederick B. Dent, Secretary of Commerce
Joseph John Jova, United States Ambassador to Mexico
Alfred L. Atherton, Jr., Assistant Secretary of State, Near Eastern and South Asian
James C.H. Shen, Ambassador of the Republic of China
James E. Akins, U.S. Ambassador to Saudi Arabia
William S. Mailliard, U.S. Ambassador to the OAS
Marcel Cadieux, Ambassador of Canada to the U.S.
Jaime Alba, Ambassador of Spain to the U.S.
William J. Casey, President and Chairman, Export-Import Bank of the U.S.
Egidio Ortona, Ambassador of Italy to the U.S.
Dr. Ashraf Ghorbal, Ambassador of the Arab Republic of Egypt to the U.S.
Berndt von Staden, Ambassador of the Federal Republic of Germany to the U.
Mid-America Committee Middle East Trade and Investment Mission

1975

John Hugh Crimmins, U.S. Ambassador to Brazil
Triloki Nath Kaul, Ambassador of India to the U.S.
Frank G. Zarb, Administrator of the Federal Energy Administration
Alejandro Orfila, Ambassador of Argentina to the U.S.
Dr. Sidney Jones, Counsellor to the Secretary of the Treasury
Jose Juan de Olloqui, Ambassador of Mexico to the U.S.
Gerald L. Parsky, Assistant Secretary of the Treasury
US-USSR Trade and Economic Council Officials
Philip C. Habib, Assistant Secretary of State for East Asian and South Pacific
Affairs



The
MID-AMERICA COMMITTEE
for international business and government cooperation, inc.

135 So. La Salle Street
Chicago, Illinois 60601
Area Code 312-236-8741

1975 continued

James D. Hodgson, U.S. Ambassador to Japan

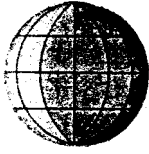
Seminar: What Exactly is Going on at the U.S. which Affects
International Business Firms

Dr. Rolf Sieber, Ambassador of the Democratic Republic of Germany

Saudi Arabian Trade and Investment Mission

Simcha Dinitz, Ambassador of Israel to the United States

Business Around the World®



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American aircraft swept to a new commercial victory on June 9 when Belgium signed up for 102 of the General Dynamics F-16 fighters. The ripple effect--

Brussels' signal is the go-ahead for Denmark, the Netherlands and Norway to buy American planes, instead of France's rival Mirage F-1. This trio had pledged to order America's F-16 if Belgium would, too. The four small NATO partners alone want a total of more than 300 planes worth 2 billion dollars.

The U.S. Air Force has already contracted for more than 4 billion dollars' worth of F-16 development and production. Experts are saying F-16 production runs may ring up well over 10 billion dollars if other potential orders come in.

A Japanese Air Force delegation already is surveying European and U.S. planes. Among them: the F-16. Iran, Spain, South Korea also eye the F-16.

At General Dynamics' Fort Worth plant, employment of some 7,000 today is expected to balloon to 14,000 by 1980 as production of the F-16 builds up.

In Europe, too, the U.S. "victory" means jobs--thousands of them. At least 40 per cent of the Europeans' F-16 money will remain on the Continent.

The planes for Belgian and Danish air forces will undergo final assembly in Belgium. Those for Dutch and Norwegian use will be assembled in Holland. Denmark and Norway will help build components.

In France, officials of both the Government and Dassault-Breguet, builder of the Mirage F-1, are divided by the American success. The issue: whether the French should continue trying to "go it alone" in production or join other European companies to ward off more setbacks.

On the sea, stormy business weather is buffeting shipbuilders and tanker owners. Some Scandinavians call it their "worst crisis since World War II."

Order cancellations plague the yards. So do rip tides among world moneys.

In Sweden, the Kockums group of Malmo reports that an American shipowner has canceled another supertanker, a 360,000 tonner--the second in a short time. No charter work was in sight for the vessel in the depressed tanker market.

Earlier, the Swedish Government bailed out the Eriksberg yard in Goteborg--squeezed by falling dollar credits and rising European-currency debts. At stake were 6,000 Swedish jobs. The yard passes to state ownership at midyear.

Swedish yards are expected to raise the value of their deliveries by 40 per cent this year. Beyond that, things are not so promising. Skeptics wonder if
(over)

Swedes' high wages will cost them shipbuilding's No. 2 spot, behind Japan.

The scene is also bleak in Oslo. About 30 per cent of the Norwegian tanker fleet is idle. Hilmar Reksten, Norway's leading shipowner, has most of his big oil carriers laid up; he lost some 25 million dollars in 1975's early months.

Aker, Norway's largest shipbuilding enterprise, dropped 11 tanker orders in recent months--three years of work--will omit dividends, postpone expansion.

By May, an estimated 26 million tons, or about 10 per cent of the world's tanker fleet, was laid up. The total may climb to 40 million tons by year-end.

Scandinavian experts say 25 million tons of the world's new-tanker orders have been canceled--and the total may leap far higher in months ahead.

France is taking another broad swipe at inflation. Sparking the action--

Consumer prices rose nearly 1 per cent in April alone, boosting the annual inflation rate to 12.7 per cent. Paris aims at 8 per cent by late 1975.

Prices are now frozen until September 15 on many consumer goods. On the list are household linen and china, clothing and paper, plastic products.

Profit margins are to be tightly limited on retail sales of cooking oil, noodles, coffee, chocolate, soap, cameras, radios, light bulbs, baby food.

Credit for consumer installment buying is to be eased.

Retail prices for industrial and home heating oil are being cut 7 per cent. How come? It takes fewer of today's robust francs to pay for imported oil.

French consumers are happy about the action. Owners of small, medium-size industries are unhappy. They rail against price lids while costs soar.

Shopkeepers are indignant--and that may be real cause for concern among Paris officials. When France last tried a major program of price controls, it collapsed--18 months ago--when cafe owners and shopkeepers staged strikes.

Now Syria is being boosted as ideal for Yankee investment. As American diplomat Richard W. Murphy told U.S. and Lebanese executives in Beirut recently:

Syria's regime is stable. It has ruled five years and includes many able technocrats eager to foster commercial ties with America.

Damascus has ample foreign-exchange reserves. Exports, Arab funds help.

Bilateral trade with the U.S. has already zoomed, from an annual rate of 25 million dollars to more than 150 million in the past nine months alone.

Syria's basic facilities for industry top those in some other Arab lands.

The U.S. approves participation in Damascus' July International Trade Fair.

Syrian President Assad early this year met with people from 33 U.S. firms. His country will buy U.S. wheat, rice worth 22.2 million dollars. Syria plans to buy farm equipment, too. Also in prospect: technical studies by U.S. firms.

Boeing aircraft sales, General Electric contracts and an agreement for oil exploration by an American company are among other growing U.S.-Syrian ties.

Ex.

Business

Chicago Tribune
Wed. June 25, 1975
(Last meeting - example)

★ Section 4 9

More multinational restrictions forecast

George Gunset

MULTINATIONAL corporations are going to face increased restrictions, eventually including some internationalization, businessmen were told Tuesday.

My personal guess is that in the next few decades an international mechanism will be put into place to which multinational companies will be held accountable," said Donald Vernon, Harvard Business School professor and director of the university's Center for International Af-

fairs.

"A complete lack of accountability is not in the cards," he said.

Vernon was a panelist at a seminar sponsored by the Mid-America Committee for International Business and Government Cooperation.

ANOTHER PANELIST, L. Oakley Johnson, said publicity surrounding bribes paid by American companies to do business in some foreign countries probably will spur restrictive legislation.

"Despite his role in the CIA

hearings, we look for Sen. Frank Church [D., Idaho] to hold further hearings and sponsor a comprehensive disclosure bill against the multinationals," Johnson said. "This could be introduced this year."

Johnson, who is executive director of the panel on multinational corporations of the Chamber of Commerce of the United States, also said it is likely that Church's hearings would look into international activities of American banks.

ON THE international scene,

Johnson said a controversial proposal before the Organization for Economic Cooperation and Development [OECD] would establish a code of conduct for multinational corporations.

It would be a voluntary code covering such areas as employment policies, restrictive business practices, public disclosure of corporate information and intergovernmental consultations.

The most controversial proposal, Johnson said, would allow developed countries "to call into the dock

any violators of the code." He said the U. S. government is working against the proposal.

Willard L. Thorp pointed out that OECD decisions have to be by unanimous agreement, so the adoption of the code would not seem likely.

Thorp, a former ambassador to the OECD, assistant secretary of state for economic affairs and professor of economics at Amherst College, said it was more likely that individual countries would adopt laws based on the code.

BUT VERNON, noting his

prediction of some eventual international control, said, "There couldn't be a better place than the OECD to have an accounting. You would find more balance and understanding."

That was a reference to the United Nations, which has established a Commission on Transnational Corporations to write a code of conduct.

At the U.N. "you are not going to win any verbal victories," said W. Gilbert Carter, Washington lawyer and former consultant to the Overseas Private Investments Corp.

5:10 p.m.

THE WHITE HOUSE

WASHINGTON

June 27, 1975

Ron:

Terry called to say that today at 3:55 p.m. the President greeted Jon Waggoner of Comanche, Tex, a high school student who won an essay contest (sponsored by Bob Hope). The President congratulated him on his prize-winning essay on what 200 years of American history means to me.

joy

THE WHITE HOUSE

WASHINGTON

June 27, 1975

FOR: RON NESSEN
FROM: BILL ROBERTS
RE: ATTACHED ARTICLE

Last evening I had an inquiry about the testimony described in the attached article from Bob Adams of the St. Louis Post Dispatch. Adams claimed that Jerry Jones' name had come up in the testimony as the person who had done the briefing.

He wanted to know whether the White House had any comment. I said since I hadn't seen the testimony I couldn't comment. He thought the White House ought to comment since Jones is still working here.

So you may get a question on this at the briefing.



Some items in this folder were not digitized because it contains copyrighted materials. Please contact the Gerald R. Ford Presidential Library for access to these materials.

PANAMA CANAL

Q. In view of his Navy League speech emphasizing the need for an effective Navy, what is the President's position on U.S. interests in the Panama Canal and its eventual control?

A. The President supports the negotiations now underway on the Canal. As you may recall, Secretary Kissinger, in his speech in Houston addressed the question of our interest in the Canal. "We will expect Panama to understand our perspective -- that the efficient, fair and secure operation of the Canal is a vital economic and security interest of the United States; that a new treaty must provide for the operation and defense of the Canal by the United States for an extended period of time; and that a new treaty must protect the legitimate interests of our citizens and property in Panama.

A new treaty based on these principles will make the United States and Panama partners in the operation of the Canal, protect the essential national interests of both, and provide a secure arrangement for the long term."

In sum, the President has no intention of supporting an agreement that would not protect our vital defense interests.



Panama Canal

Q: Can you tell us what is the status with our negotiations to turn over the Canal to Panama?

A: We are engaged in an effort to modernize our relationship with Panama over the Canal. Although progress has been made, difficult issues remain. Both the United States and Panama have important interests in the Canal. We believe we can reach an agreement which takes into account the interests of both countries. In our view it is possible to do this while protecting our basic interests in defense and operation of the Canal. Of course, any agreement we may reach would be submitted to the full constitutional process including Senate approval.



*Ron - helpful
background showing
that Panama initia-
tives are a year old.
Marge*

U.S. and Panama Agree on Principles for Negotiation of New Panama Canal Treaty

On February 7 at Panamá, Secretary Kissinger and Juan Antonio Tack, Minister of Foreign Affairs of Panama, initialed a joint statement of principles for negotiation of a new Panama Canal treaty. Following is an address made by Secretary Kissinger at the ceremony, together with the text of the joint statement.

ADDRESS BY SECRETARY KISSINGER

Press release 42 dated February 7

We meet here today to embark upon a new adventure together. Our purpose is to begin replacing an old treaty and to move toward a new relationship. What we sign today, hopefully, marks as well the advent of a new era in the history of our hemisphere and thus makes a major contribution to the structure of world peace.

Meeting as we do on this isthmus which links North with South and Atlantic with Pacific, we cannot but be conscious of history—a history which has profoundly changed the course of human affairs. Four centuries ago the conquistadors landed here bringing faith and taking booty. They were representatives of the traditional style and use of power. Seventy years ago, when the Panama Canal was begun, strength and influence remained the foundations of world order.

Today we live in a profoundly transformed environment. Among the many revolutions of our time none is more significant than the change in the nature of world order. Power has grown so monstrous that it defies calculation; the quest for justice has become universal. A stable world cannot be imposed by

force; it must derive from consensus. Mankind can achieve community only on the basis of shared aspirations.

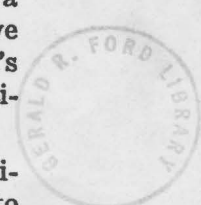
This is why the meeting today between representatives of the most powerful nation of the Western Hemisphere and one of the smallest holds great significance. In the past our negotiation would have been determined by relative strength. Today we have come together in an act of conciliation. We recognize that no agreement can endure unless the parties to it want to maintain it. Participation in partnership is far preferable to reluctant acquiescence.

What we do here today contains a message, as well, for our colleagues in the Western Hemisphere who, in their recent meeting in Bogotá, gave impetus to this negotiation. The method of solution and the spirit of partnership between Panama and the United States as embodied in this agreement are an example of what we mean by the spirit of community in the Western Hemisphere; it can be the first step toward a new era which we believe will be given fresh hope and purpose when we meet again with the Foreign Ministers of all the hemisphere in two weeks' time.

The United States and Panama

The relationship between Panama and the United States is rooted in extraordinary human accomplishment—the Panama Canal, a monument to man's energy and creative genius. But as is so often the case, man's technological triumph outstripped his political imagination:

—For 60 years the safe, efficient, and equitable operation of the canal has given to



Panama, to the United States, and to all nations benefits beyond calculation.

—Yet the canal still operates under the terms of a treaty signed in 1903, when the realities of international affairs were still shaped by traditional precepts of power.

—The tensions generated by these contradictions, the endless debates over the costs and benefits of the convention of 1903, have jeopardized the ability of our two countries not only to work together to meet future demands upon the canal but also to develop a constructive relationship as friends.

We must assess the document we have just signed against this background. Above all, we must judge it in the context of what it means for the peoples of the United States and Panama and what it can mean for the people of the Western Hemisphere.

The eight principles in this agreement constitute, as General Torrijos [Brig. Gen. Omar Torrijos, Head of Government of Panama] has said, a "philosophy of understanding." Sacrificing neither interest nor self-respect, Panama and the United States have made a choice for partnership. Meeting in dignity and negotiating with fairness, we have acknowledged that cooperation is imposed on us by our mutual need and by our mutual recognition of the necessity for a cooperative world order. Foreign Minister Tack and Ambassador Bunker [Ambassador at Large Ellsworth Bunker, U.S. chief negotiator for the Panama Canal treaty] have shown that Panama's sovereignty and the vital interests of the United States in the Panama Canal can be made compatible. They have engaged in an act of statesmanship impelled by the conviction that we are part of a larger community in the Americas and in the world.

In that spirit of partnership the United States and Panama have met as equals and have determined that a just solution must recognize:

—First, that Panama and the United States have a mutual stake in the isthmus: Panama in its greatest natural resource, and the United States in the use and defense of the canal.

—Second, that the arrangement which may have been suitable 70 years ago to both the United States and Panama must be adjusted to meet the realities of the contemporary world.

—Third, that a new treaty is required which will strengthen the relationship between us while protecting what is essential to each. A new agreement must restore Panama's territorial sovereignty while preserving the interests of the United States and its participation in what is for us an indispensable international waterway.

While we have taken a great stride forward, we must still travel a difficult distance to our goal. There is opposition in both our countries to a reasonable resolution of our differences. Old slogans are often more comforting than changes that reflect new realities. It is the essence of revolutions that to their contemporaries they appear as irritating interruptions in the course of a comfortable normalcy. But it is equally true that those who fail to understand new currents are inevitably engulfed by them.

We are determined to shape our own destiny. Our negotiators will require wisdom, purposefulness, tenacity. They will meet obstacles and disagreements. Yet they will succeed—for our relations and our commitments to a new community among us and in this hemisphere demand it.

In the President's name, I hereby commit the United States to complete this negotiation successfully and as quickly as possible.

The Western Hemisphere Community

We are here today not just as two sovereign nations, but as representatives of our hemisphere. We meet at the place where Simón Bolívar enunciated the concept of an inter-American system. We meet at a point of time between meetings of Foreign Ministers in Bogotá and Mexico City which can mark a historic turning point in making Bolívar's vision come true.

I know that many of my country's southern neighbors believe they have been the subject of too many surveys and too few policies.

The United States is accused of being better at finding slogans for its Latin American policy than at finding answers to the problems that face us all.

Some of these criticisms are justified. At times rhetoric has exceeded performance. But the United States has been torn by many problems; only from afar does it appear as if all choices are equally open to us. We have not been willfully neglectful. And in any case, we have recognized that the time for a new approach is overdue.

I have come here today to tell you on behalf of our President that we are fully committed to a major effort to build a vital Western Hemisphere community. We understand our own needs:

—To live in a hemisphere lifted by progress, not torn by hatreds;

—To insure that the millions of people south of us will lead lives of fulfillment not embittered by frustration and despair; and

—Above all, to recognize that in the great dialogue between the developed and the less developed nations, we cannot find answers anywhere if we do not find them here in the Western Hemisphere.

It is in this spirit that I shall meet my colleagues in Mexico City later this month to deal with the issues posed by them in their Bogotá meeting. We attach particular significance to the fact that the meeting in Mexico City—its substance and its impetus—is the product of Latin American initiative. It is a response to the necessities of the times such as the United States had hoped to achieve with partners elsewhere in the world.

The United States will not come to Mexico City with a program that presumes to have all the answers. Nor will we pretend that our lost opportunities can be remedied by yet another freshly packaged program labeled "Made in the U.S.A." But we shall come with an open mind and, perhaps more importantly, with an open heart. We are at a moment of truth, and we shall speak the truth.

We know that our neighbors are worried about the blackmail of the strong. We want them to know that we are sympathetic to this concern. At the same time, blackmail is no

more acceptable from any other source. We need each other. So let us all seek solutions free of pressure and confrontation, based on reciprocity and mutual respect. In Mexico City we can but lay the foundations for the future. But building upon what we achieve in Mexico City we can, over the months and years ahead, erect an edifice of true partnership, real trust, and fruitful collaboration.

Thus we approach the meeting in Mexico with but one prejudice: a profound belief that the Americas, too, have arrived at a moment of basic choice, a time of decision between fulfillment together and frustration apart. Our choice will be found in the answers we give to these critical questions:

—Can we make our diversity a source of strength, drawing on the richness of our material and moral heritage?

—In short, can the countries of Latin America, the Caribbean, and the United States, each conscious of its own identity, fashion a common vision of the world and of this hemisphere—not just as they are, but as they are becoming and as we feel they should be—so that we can move together toward the achievement of common goals?

We will conduct the broader dialogue we have all set for ourselves in Mexico City with the same commitment to reciprocity, the same consideration of each other's interests, that marked the negotiations between the United States and Panama.

For centuries men everywhere have seen this hemisphere as offering mankind the chance to break with their eternal tragedies and to achieve their eternal hopes. That was what was new about the New World. It was the drama of men choosing their own destinies.

An American poet has written:

We shall not cease from exploration
And the end of all our exploring
Will be to arrive where we started
And know the place for the first time.

Panama and the United States have now begun this exploration. Our sister republics can make the same choice. Our creativity, our energy, and our sense of community will be on trial. But if we are equal to the oppor-

tunity, we will indeed arrive where we started—a hemisphere which again inspires the world with hope by its example. Then we shall indeed know the place for the first time, because for the first time we shall truly have fulfilled its promise.

TEXT OF JOINT STATEMENT

JOINT STATEMENT BY THE HONORABLE HENRY A. KISSINGER, SECRETARY OF STATE OF THE UNITED STATES OF AMERICA, AND HIS EXCELLENCY JUAN ANTONIO TACK, MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF PANAMA, ON FEBRUARY 7, 1974 AT PANAMA

The United States of America and the Republic of Panama have been engaged in negotiations to conclude an entirely new treaty respecting the Panama Canal, negotiations which were made possible by the Joint Declaration between the two countries of April 3, 1964, agreed to under the auspices of the Permanent Council of the Organization of American States acting provisionally as the Organ of Consultation.¹ The new treaty would abrogate the treaty existing since 1903 and its subsequent amendments, establishing the necessary conditions for a modern relationship between the two countries based on the most profound mutual respect.

Since the end of last November, the authorized representatives of the two governments have been holding important conversations which have permitted agreement to be reached on a set of fundamental principles which will serve to guide the negotiators in the effort to conclude a just and equitable treaty eliminating, once and for all, the causes of conflict between the two countries.

The principles to which we have agreed, on behalf of our respective governments, are as follows:

1. The treaty of 1903 and its amendments will be abrogated by the conclusion of an entirely new interoceanic canal treaty.

¹ For text of the joint declaration, see BULLETIN of Apr. 27, 1964, p. 656.

2. The concept of perpetuity will be eliminated. The new treaty concerning the lock canal shall have a fixed termination date.

3. Termination of United States jurisdiction over Panamanian territory shall take place promptly in accordance with terms specified in the treaty.

4. The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama. The Republic of Panama, in its capacity as territorial sovereign, shall grant to the United States of America, for the duration of the new interoceanic canal treaty and in accordance with what that treaty states, the right to use the lands, waters and airspace which may be necessary for the operation, maintenance, protection and defense of the canal and the transit of ships.

5. The Republic of Panama shall have a just and equitable share of the benefits derived from the operation of the canal in its territory. It is recognized that the geographic position of its territory constitutes the principal resource of the Republic of Panama.

6. The Republic of Panama shall participate in the administration of the canal, in accordance with a procedure to be agreed upon in the treaty. The treaty shall also provide that Panama will assume total responsibility for the operation of the canal upon the termination of the treaty. The Republic of Panama shall grant to the United States of America the rights necessary to regulate the transit of ships through the canal and operate, maintain, protect and defend the canal, and to undertake any other specific activity related to those ends, as may be agreed upon in the treaty.

7. The Republic of Panama shall participate with the United States of America in the protection and defense of the canal in accordance with what is agreed upon in the new treaty.

8. The United States of America and the Republic of Panama, recognizing the important services rendered by the interoceanic Panama Canal to international maritime traffic, and bearing in mind the possibility that the present canal could become inadequate for said traffic, shall agree bilaterally

on provisions for new projects which will enlarge canal capacity. Such provisions will be incorporated in the new treaty in accord with the concepts established in principle 2.

Soviet Foreign Minister Gromyko Visits Washington

Following is the text of a communique issued on February 5 at the conclusion of a visit to Washington by Andrei A. Gromyko, Minister of Foreign Affairs of the U.S.S.R.

White House press release dated February 5

At the invitation of the United States Government, Andrei A. Gromyko, member of the Politburo of the CPSU [Communist Party of the Soviet Union] Central Committee and Minister of Foreign Affairs of the USSR, visited Washington, D.C., from February 3 to February 5, 1974. During his visit he held talks with President Nixon and Secretary of State Henry Kissinger.

Also taking part in the talks were:

On the American side:

Under Secretary-designate for Political Affairs Joseph Sisco; Counselor of the Department of State Helmut Sonnenfeldt; Assistant Secretary for European Affairs Arthur Hartman; Ambassador-designate to the USSR Walter Stoessel.

On the Soviet side:

Ambassador to the United States, A. F. Dobrynin; Member of the Collegium of the Foreign Ministry of the USSR G. M. Korniyenko; Assistant to the Foreign Minister of the USSR V. G. Makarov; and Y. M. Vorontsov, Minister-Counsellor of the Soviet Embassy.

In accordance with the understandings

reached in May 1972 and June 1973 that the practice of consultations between the two countries should continue, an exchange of views took place on a number of subjects of mutual interest.

Both sides reaffirmed their determination to continue developing their relations along the lines established during President Nixon's visit to the Soviet Union in 1972 and General Secretary Brezhnev's visit to the United States in 1973 and reflected in the agreements concluded on those occasions.

In reviewing their bilateral relations, the two Sides discussed questions relating to the further limitation of strategic arms and prospects for the development of trade and economic relations between the two countries, as well as other pertinent matters. They expressed their agreement on the desirability of achieving progress in these and other areas.

The two Sides also held discussions on a number of current international topics.

Special attention was devoted to the Middle East. Both Sides attached particular importance to their special role at the Geneva conference, the need for a peaceful Middle East settlement and for progress toward that end within the framework of the Geneva Peace Conference.

In exchanging views on the Conference on Security and Cooperation in Europe, both Sides agreed that the Conference should reach a successful conclusion as soon as possible. The question of mutual force reduction in Central Europe was touched on.

The exchange of views was conducted in a businesslike and constructive manner and was considered useful by both Sides.

It was agreed that Secretary Kissinger will visit Moscow in the second half of March 1974 in connection with preparations for the visit to the Soviet Union of President Nixon, which will take place this year in accordance with the agreement reached in June 1973.

President Nixon - Report to the Congress on U.S. Foreign Policy for the 1970's,
February 25, 1971:

...We must not be in a position of being able to employ only strategic weapons to meet challenges to our interests. On the other hand, having a full range of options does not mean that we will necessarily limit our response to the level or intensity chosen by an enemy. Potential enemies must know that we will respond to whatever degree is required to protect our interests. They must also know that they will only worsen their situation by escalating the level of violence...

President Kennedy - Special Message on the Defense Budget to the Congress
of the United States, March 28, 1961:

"The strength and deployment of our forces in combination with those of our allies should be sufficiently powerful and mobile to prevent the steady erosion of the Free World through limited wars; and it is this role that should constitute the primary mission of our overseas forces....
In the event of a major aggression that could not be repulsed by conventional forces, we must be prepared to take whatever action with whatever weapons are appropriate."

"Our defense posture must be both flexible and determined. Any potential aggressor contemplating an attack on any part of the Free World with any kind of weapons, conventional or nuclear, must know that our response will be suitable, selective, swift and effective. While he may be uncertain of its exact nature and location, there must be no uncertainty about our determination and capacity to take whatever steps are necessary to meet our obligations. We must be able to make deliberate choices in weapons and strategy, shift the tempo of our production and alter the direction of our forces to meet rapidly changing conditions or objectives at very short notice and under any circumstances."

General Goodpaster before Subcommittee on Military Applications, Joint
Committee on Atomic Energy, June 29, 1973, Military Applications of
Nuclear Technology:

Senator Dominick. Let me pose another question to you. When I was briefed
in Germany and a variety of other places in 1961, which was a long time
ago, the possibility of being able to contain a mass conventional attack
was not viewed with any great plausibility by us.

Suppose the Soviets and the Warsaw Pact countries should decide they were
going to conduct a conventional attack, not nuclear, how long would we be
able to withstand that now with conventional forces only?

General Goodpaster. I would put it this way. This is a view that I have
held now for some years. If they were to come against us with the full
forces available to them and sustain the attack and take the losses that
we could impose on them, which would be very heavy, and if things were to
go reasonably well for them in this process, then within a short period of
time, I believe that we would be confronted with the necessity to invoke
use of tactical nuclear weapons on at least a selective basis if war
were to prevent the rupture of our main battle positions.

Secretary McNamara before Subcommittee of House Appropriations Committee -

Department of Defense Appropriations for FY 1965, February 17, 1964:

Mr. Mahon. Mr. Secretary, after the Korean war we were quite disenchanted, and the Secretary of Defense came before this committee and told us that it was the resolve of the administration never again to deal with a situation such as we had been confronted with in Korea in the way we did, and the implication was we would use nuclear weapons and that we would achieve decisive military victory. The massive retaliation theory was in full flower during the 1950 period, particularly after the Korean war.

Now, there seems to be some uncertainty as to whether or not we are willing to risk and employ our maximum nuclear potential in a war. Have we come to the conclusion in the Defense Department that we will not use, and will not be called upon to use, strategic nuclear weapons?

Secretary McNamara. We hope we will not be called upon to use them, because we believe our power is so great and so apparent to our opponents that they realize that were we called upon to use them, we would literally destroy the Soviet Union and its associated satellite states. But certainly we have come to the point where we would say to ourselves, or to others, that we did not use them. Clearly we would use them in the protection of our basic national interests including the collective defense of the free world. But we will not endanger the survival of our Nation and our allies for anything less than a threat that was directed at that survival.

Mr. Mahon. If the survival of the Nation is definitely threatened, we would hazard the use of nuclear weapons in order to prevent it, would we not?

Secretary McNamara. Without question.

Secretary McNamara before Senate Armed Services Committee, February 22, 1963,
Military Procurement Authorization, Fiscal Year 1964:

Senator Smith. President Kennedy and General Taylor have said there would be no winner in a nuclear war. You and the President have stressed the growing power of Russia's nuclear forces. Under Secretary Gilpatric has publicly stated that he doesn't know how a war can be limited, and I quote: "Once you start using any kind of a nuclear bang."

It is reasonable to conclude that the overall impression created by these statements is that the United States is afraid to use nuclear weapons for fear doing so would immediately and automatically escalate to a holocaust war, that is the impression I get and I think it is probably that it is the impression that Khrushchev gets.

Yet the world knows that the Communists have a vast superiority in combat forces for conventional warfare including first-rate armored units and the largest tactical air force in the world.

Coupled with this they have interior lines of supply and communication, and an aggressive attitude to conquer the world and some pretty weak opponents on their borders like Iran, Burma, India, and Thailand.

If, in view of these facts, Khrushchev decides to challenge the U.S. and allied conventional forces on a broad scale, what do you intend to do about it?

Secretary McNamara. First, let me say that we have stated many, many times--I have stated on several different occasions, I stated it in Germany, I have stated it on three occasions I can recall in this country--that we will use whatever weapons are necessary to protect our interests, including nuclear weapons. Pravda has printed my statements because we have had them returned to us. There has been conversation among the Soviets regarding such statements as I have made, and as the President has made, about our willingness to use nuclear weapons in defense of our interest.

Finally, it is perfectly clear that Khrushchev believed we would utilize nuclear weapons or any other weapons necessary to destroy the missiles which he deployed in Cuba. It is clear that he believed that by the action he took (deleted) and it is clear that he was right in his belief because we would have used whatever weapons were necessary to destroy those missiles moved into Cuba.

So, I think that the premise on which the statement is made is incorrect.

Secretary McNamara before Senate Armed Services Committee, -February 22, 1963,
Military Procurement Authorization, Fiscal Year 1964:

Senator Thurmond. Mr. Secretary, in his book "The Uncertain Trumpet," Gen. Maxwell Taylor lists three situations which he says are the only ones imaginable in which our atomic retaliatory forces might be deliberately used. These situations are, and I quote from General Taylor's book:

Two clear cases would be an atomic attack on the continental United States or the discovery of indisputable evidence that such an attack was about to take place. A third possible case would be a major attack upon Western Europe, since the loss of that area to communism would ultimately endanger our national survival.

Are such limitations on the use of our retaliatory forces now reflected in our official policy?

Secretary McNamara. I can answer only by saying that we would propose to use nuclear weapons or any other weapons whenever we felt our vital interests were threatened, Senator Thurmond.

I can't speculate on all the situations that might justify such use.

Secretary McNamara before Senate Armed Services Committee, February 21, 1963,

Military Procurement Authorization, Fiscal Year 1964:

I have read Dr. Enthoven's speech, and as I expected it is a rather philosophical discourse on Defense policies in relation to Christian ethics. With reference to the particular issue raised by Senator Symington, namely, our policy on the use of tactical nuclear weapons, rather than comment on Dr. Enthoven's speech I believe it would be more useful if I were to restate at this point our position on this matter.

In my very first appearance before this committee as Secretary of Defense, on April 4, 1961, I stated:

"There has been a tendency since the end of the Korean war to emphasize the nuclear capabilities of these forces. These capabilities are, of course, essential to our overall national strategy, since all of our forces have a role in general nuclear war. Even in limited war situations, we should not preclude the use of tactical nuclear weapons, for no one can foresee how such situations might develop. But the decision to employ tactical nuclear weapons in limited conflicts should not be forced upon us simply because we have no other means to cope with them. There are many possible situations in which it would not be advisable or feasible to use such weapons. What is being proposed at this time is not a reversal of our existing national policy but an increase in our nonnuclear capabilities to provide a greater degree of versatility to our limited war forces."

Some three and a half months later on June 27, 1961, I appeared before this committee to present President Kennedy's third set of amendments to the fiscal year 1962 budget and to request additional authorizations for appropriations for aircraft missiles and naval vessels. At that time I said:

"We feel very strongly that the U.S. Defense Establishment must have a greater degree of flexibility in responding to particular situations. We need to expand the range of military alternatives available to the President in meeting the kind of situation which may confront us in maintaining our position in Berlin."

"I want to make clear, however, that this does not mean we are lessening the effectiveness of our tactical nuclear capabilities. As I pointed out to your committee earlier this year, 'Even in limited war situations we should not preclude the use of tactical nuclear weapons, for no one can foresee how such situations might develop.' What we are proposing now is not only to strengthen our nuclear capabilities but also to increase our nonnuclear capabilities to provide a still greater degree of versatility to our military forces."

On January 19, 1962, in my appearance before this committee to present the fiscal year 1962-67 Defense program and 1963 Defense budget, I stated:

"After long and intensive study, we have reached the conclusion that, while our nuclear forces are increasing, greater emphasis than in the past must be given, both by ourselves and our NATO allies, to our nonnuclear forces. This does not mean that we would hesitate to use nuclear weapons even in a limited war situation, if needed. As I stated in my appearance before the committee last spring:

"... Even in limited war situations we should not preclude the use of tactical nuclear weapons, for no one can foresee how such situations might develop. But the decision to employ tactical nuclear weapons in limited conflicts should not be forced upon us simply because we have no other means to cope with them. There are many possible situations in which it would not be advisable or feasible to use such weapons. What is being proposed at this time is not a reversal of our existing national policy but an increase in our nonnuclear capabilities to provide a greater degree of versatility to our limited war forces."

In the statement which I am presenting to the committee this year (on the fiscal year 1964-65 defense program and 1964 defense budget) I treat the same policy in much greater detail and, in fact, address myself to the very point raised by Senator Symington. I believe it would be worthwhile repeating those paragraphs here. In talking about the need to increase our conventional forces in Europe I say:

"The possibility that we may have to fight nonnuclear wars in southeast Asia, the Middle East, and other areas of the world is accepted, generally, without argument, but not so with regard to Europe. Many people would believe that any military action in Europe, short of a very minor probe, would require the immediate use of nuclear weapons, and I stress the word 'immediate.' Certainly, a massive attack on Western Europe would have to be met with whatever weapons are required to counter it. That has always been the policy of the Western alliance. And, I have repeatedly stated before this committee that 'even in limited war situations we should not preclude the use of tactical nuclear weapons.'"

"However, we may well be faced with situations in Europe where it would not be to the advantage of ourselves or our allies to use even tactical nuclear weapons initially—provided we had the capability to deal with them through nonnuclear means. Nuclear weapons, even in the lower kiloton ranges, are extremely destructive devices and hardly the preferred weapons to defend such heavily populated areas as Europe. Furthermore, while it does not necessarily follow that the use of tactical nuclear weapons must inevitably escalate into global nuclear war, it does present a very definite threshold, beyond which we enter a vast unknown.

"This does not mean that the NATO forces can or should do without tactical nuclear weapons. On the contrary, we must continue to strengthen and modernize our tactical nuclear capabilities to deal with an attack where the opponent employs such weapons first, or any attack by conventional forces which puts Europe in danger of being overrun. We must be prepared to defend Europe with every kind of weapon needed.

"But we must also substantially increase our nonnuclear capabilities to force close to our opponent the freedom of action he would otherwise have, or believe

he would have, in lesser military provocations. We must be in a position to confront him at any level of provocation with an appropriate military response. The decision to employ tactical nuclear weapons should not be forced upon us simply because we have no other way to cope with a particular situation. The NATO powers have all the resources, the talents, and the skills needed to match our opponent at any level of effort in Europe. I will discuss this point in greater detail in context with our plans for the general purpose forces."

In my discussion of the general purpose forces, I say:

"Although we are still a long way from achieving the nonnuclear capabilities we hope to create in Europe, we are much better off in this regard than we were 2 years ago. Today the NATO forces can deal with a much greater range of Soviet actions, without resorting to the use of nuclear weapons. Certainly, they can deal with any major incursion or probe. But we must continue to do everything in our power to persuade our allies to meet their NATO force goals so that we will possess alternative capabilities for dealing with even larger Soviet attacks. And until these capabilities are achieved, the defense of Europe against an all-out Soviet attack, even if such an attack were limited to non-nuclear means, would require the use of tactical nuclear weapons on our part."

I really don't know what more I could add to what I have already said to make our policy on the use of tactical nuclear weapons any clearer. I believe the record speaks for itself.

Secretary McNamara before Senate Armed Services Committee, February 21, 1963

Military Procurement Authorization, Fiscal Year 1964:

Senator Thurmond. Mr. Secretary, did I understand you to say if tactical nuclear weapons are used that it would probably bring about an escalation, that is, a general nuclear war?

Secretary McNamara. I think it would be very difficult to handle or use that type of nuclear weapons so as to be certain that one could avoid escalation to strategic nuclear war.

Senator Thurmond. Well, if you had a conventional war, whichever side was losing would probably go to tactical nuclear weapons before being destroyed.

Secretary McNamara. This is a question that only the circumstances could throw light on. I can't answer it. I don't know what the Soviets would do. I know we have stated publicly and the public expressions represent our policy, that we would use tactical nuclear weapons or any weapons-----

* * * *

Secretary McNamara. We have stated publicly that we would utilize whatever weapons are necessary to preserve our vital interests, that is our policy, and we will follow that policy. What policy the Russians would follow or the Communist bloc would follow I can't say.

PANAMA CANAL QUESTION

Q: There are stories of major differences between State and Defense on continued prosecution of the Panama Canal negotiations, and of papers that have been submitted to the President for decision. Can you confirm this?

A: The only thing I would like to say on this subject is that the negotiations with Panama regarding the Canal are continuing. I wouldn't want to comment beyond that on how they are being carried out or on consultations within the U.S. Government. We continue to believe that the relationship with Panama needs modernization and that some kind of agreement is possible which will accommodate the interests of both countries involved. We are pursuing our discussions with the Panamanians.

*Our general guidance on
the Panama Canal negotiations
follows.*

Q: Can you tell us what is the status of our negotiations to turn over the Canal to Panama?

A: We are engaged in an effort to modernize our relationship with Panama over the Canal. Although progress has been made, difficult issues remain. Both the United States and Panama have important interests in the Canal. We believe we can reach an agreement which takes into account the interests of both countries. In our view it is possible to do this while protecting our basic interests in defense and operation of the Canal. Of course, any agreement we may reach would be submitted to the full constitutional process.

FYI: The subject of the negotiations was placed on the OAS General Assembly agenda. A joint statement by the U.S. and Panama on the status of the negotiations was read. It was a general statement noting that progress has been made in the talks, difficult questions remain, and both countries support the negotiating process and are working towards reaching a mutually acceptable agreement.)

June 27, 1975

ETHIOPIA AND GRAIN SHIPMENTS

Q: Why does the United States send grain to Ethiopia which continues to export the commodity?

A: Ever since the Ethiopia drought ~~was discovered~~ ^{occurred} in 1973, we ~~passed~~ ^{urged} the Ethiopian Government to cease traditional exports of grain to Djibouti (French territory of the Afars and Issas) and other customers on the Red Sea. To our knowledge no such exports have taken place since mid-1974. The ~~Ethiopians claim~~ ^{were designed to} grain shipments to Djibouti helped feed ethnic Ethiopians in the French territory. The amounts exported were not large in relation to grain donations from abroad. [Exports were 9,000 tons in 1973 and 12,000 in 1974. Grain donations in 1974 totalled about 80,000 tons, of which 30,000 came from the United States.]

Beyond this, refer to State

Dimitz 9:58 - 10:09

Jarits 10:23 - 10:45

Ortona 10:10 - 10:22

Ron -

Press releases are distributed based on list from W.H. press office.

Goes to Cabinet secretaries but Colby is not

on the list. He or a member of his staff would have to ask press office directly.

i.e. you or Jack or Bill

Jay says to her knowledge such request has not been made - at least through her.

Margi

June 27, 1975

INDIAN CENSORSHIP

Q: What is the President's reaction to the recent events in India including the suppression of opposition and dissident groups and the censorship of foreign news media?

A: Of course the United States has been and continues to be opposed to censorship of the press or abridgement of the freedoms of the press but beyond that, we will not have any comment on the situation in India which is an internal political matter.

MOZAMBIQUE INDEPENDENCE

Q. Yesterday the President sent a letter to the President of Mozambique on the occasion of that nation's independence. What is the status of the American Consulate General in Mozambique?

A. FRELIMO, the political movement that assumed power in Mozambique, ordered all consular establishments opened during the Portuguese administration to close on June 24. We closed our Consulate General on June 24, but in the absence of a specific request from FRELIMO we have not withdrawn our staff, which is headed by Peter C. Walker.

We have recognized the new state of Mozambique and have offered to enter into normal diplomatic relations with the new Government, including the opening of an Embassy.

Q. Who represented the United States at the independence celebrations in Mozambique?

A. We were not invited to the ceremonies. Two members of Congress were there as invited guests: Mr. Charles C. Diggs, Jr., of Detroit, and Mrs. Cardiss Collins of Chicago.

Note: For further details, refer to the State Department.

Department Press Statement of May 15

Bribery of Foreign Officials by U.S. Companies

The Department believes it would be advisable at this time to amplify recent policy statements regarding illegal activities by U.S. enterprises abroad.

As indicated in those statements, the U.S. Government does not condone illegal activities by American business and industrial firms abroad. The U.S. condemns such actions by U.S. corporations in the strongest terms. Moreover, any American firm or individual making unlawful payments to officials of foreign governments cannot look to the Department of State for protection from legitimate law enforcement actions by the responsible authorities of either the foreign country in question or the United States.

At the same time, the United States Government believes it would be helpful if host governments would clarify the rules for foreign firms in their countries regarding political contributions and other payments. We assume that the investigation and prosecution of offenses by foreign authorities will be nondiscriminatory; that the penalties will be proportionate to the offense; and that persons or firms found guilty of improper conduct will be treated fairly and in accordance with international law.

June 11, 1975

DIEGO GARCIA AND THE
SOVIET PRESENCE IN SOMALIA

BACKGROUND:

The following is excerpted from Sec. Schlesinger's testimony of yesterday before the Senate Armed Services Committee. He is speaking about the need for a base at Diego Garcia:

"Our principal objective in requesting this facility is to provide secure access to logistical support for our forces operating in the Indian Ocean. For example, our naval forces operating there today must rely either on local sources of fuel or else must be replenished by a chain of tankers stretching over 4,000 miles from the U.S. facilities in the Philippines. The additional fuel storage we have proposed would permit a normal carrier task group to operate for about 30 days independent of other sources to supply. That margin of time could spell the difference between the orderly resupply of our forces and a hasty improvisation which could place unwieldy demands on our support assets in other areas. The same is true of the repair and maintenance which could be performed on ships and aircraft.

"In short, the proposed facility would provide the assurance of U.S. capability to deploy and maintain forces in an area which has become increasingly important over the past decade."

According to Schlesinger, the military construction funds required for this project would be approximately 37.8 million dollars to be carried out through FY 79.

On May 12 the President sent a letter to the Hill (in accordance with the Military Construction Act of 1975) in which he stated that he had evaluated all the military and foreign policy implications regarding the need for facilities at Diego Garcia and had concluded that construction of the project is in the U.S. national interest. (The Congress has 60 days from May 12 to oppose the construction, i.e., find the President's arguments unacceptable).

The purpose of the base would be limited; it is intended more as a "way station" for refueling, for communications, etc., than as a major base. While the construction of Diego Garcia was not proposed as a result of a Soviet build-up in the Indian Ocean, the presence of Soviet facilities is an additional reason for construction. The situation in the Persian Gulf, the flow of supplies and the movement of our ships make Diego Garcia particularly important today. The Military Construction Act of 1975 authorized 18.1 million dollars to begin construction. In addition 13.8 million dollars has been requested in military construction funds for FY 76.

* * * *

In response to specific questions on Schlesinger's testimony or technical questions about the U.S. or Soviet bases, you should refer to DOD.

In response to questions on the rationale for the construction of the base at Diego Garcia, you should say that the President spelled out the need for the base in his letter to Congress May 12, 1975 (attached). You may wish to quote from the letter.

THE WHITE HOUSE
WASHINGTON

May 12

Justification for the Presidential Determination
on the Construction of Limited Support Facilities
on Diego Garcia

In 1966, the United States signed an agreement with the British Government providing that the islands of the British Indian Ocean Territory would be available for 50 years to meet the defense purposes of both governments. In this context, we concluded in 1972 an Administrative Agreement providing for the establishment of a limited communications station on the small atoll of Diego Garcia in the central Indian Ocean. In February 1974, an agreement was negotiated ad referendum to replace the 1972 agreement and to provide for the construction and operation of a proposed support facility. The British Government announced in December 1974 its agreement with our proposal to expand the facility.

The United States has an important interest in the stability of the Indian Ocean area. In particular, the oil shipped from the Persian Gulf area is essential to the economic well-being of modern industrial societies. It is essential that the United States maintain and periodically demonstrate a capability to operate military forces in the Indian Ocean. Such exercise of our right to navigate freely on the high seas communicates to others the importance we attach to the stability of the region and to continued free access by all nations.

The credibility of any US military presence ultimately depends on the ability of our forces to function efficiently and effectively in a wide range of circumstances. Currently, the US logistics facility closest to the western Indian Ocean is in the Philippines, 4,000 miles away. At a time when access to regional fuel supplies and other support is subject to the uncertainties of political developments, the establishment of modest support facilities on Diego Garcia is essential to insure the proper flexibility and responsiveness of US forces to national requirements in a variety of possible contingencies. The alternative would be an inefficient and costly increase in naval tankers and other mobile logistics forces.

Objections have been raised to this proposal on the grounds that it will prompt an increase in the Soviet presence in the Indian Ocean and give rise to an arms race in the region. Clearly, both we and the Soviets are aware of the military presence of other nations, but it would be incorrect to assume that Soviet actions are determined exclusively by the level or nature of our

force presence. The growth of Soviet naval presence in the Indian Ocean from 1968 to the present can most convincingly be ascribed to the pursuit of their own national interests -- including the continuing expansion of the Soviet Navy in a global "blue water" role -- rather than to US force presence as such.

A distinction must also be drawn between facilities and force presence. The proposed construction on Diego Garcia would enhance our capability to provide support to US forces operating in the Indian Ocean. However, there is no intent to permanently station operational units there, and the installation would not imply an increase in the level of US forces deployed to that region. We have, on several occasions, expressed our willingness to consider constructive proposals for arms restraint in the Indian Ocean, but we do not believe that construction on Diego Garcia should be contingent upon the outcome of discussions on such proposals. In our view, these are two separate issues.

The Diego Garcia proposal has been criticized by a number of regional states which favor the concept of a special legal regime limiting the presence of the great powers in the Indian Ocean, as expressed in the several Indian Ocean Zone of Peace resolutions adopted in the United Nations General Assembly. United States policy has consistently been to oppose measures that would constitute an unacceptable departure from customary international law concerning freedom of navigation on the high seas.

We are aware of the concern expressed by some states of the region, but we do not share their conviction that the construction of support facilities on Diego Garcia will result in an arms race or that these facilities will somehow represent a threat to their interests. On the contrary, it is our belief that such facilities will contribute to the maintenance of healthy balance essential to the preservation of regional security and stability. It is our considered judgment that the legitimate differences in perspective between ourselves and certain other nations with respect to Diego Garcia are susceptible to reasoned discussion within a framework of mutual respect and need not inhibit the development of satisfactory relations with the states of the region.

RHODESIA

Q. Would you comment on the stories alleging that Americans are being recruited to fight in Rhodesia.

A. We are aware that an organization called Phoenix Associates of Boulder, Colorado, and headed by a Mr. Robert K. Brown, has placed an advertisement in a number of magazines -- primarily outdoor and gun magazines -- describing opportunities for "adventurers" to serve in a number of countries, including Rhodesia. This whole operation is under investigation by the Departments of State and Justice to determine whether U. S. law has been violated.

FYI: (While we do not have the results of the investigation, the most applicable law is probably the Foreign Agents Registration Act -- i. e., whether, in their activities, Mr. Brown and Phoenix Associates are in fact acting as agents of a foreign government or regime without being properly registered with the Department of Justice.

Q. What is the U. S. position regarding Americans serving in the Rhodesian Armed Forces? Do we know whether any Americans are actually fighting in Rhodesia?

A. We have no knowledge of any Americans fighting there, and we would strongly discourage any such activity. ~~We, in fact,~~

~~discourage any travel to southern Rhodesia by U. S. citizens.~~

[FYI: There is some question as to whether one could jeopardize his U. S. citizenship by serving in the armed forces of another country. The matter is being reviewed by the Justice Department].

Q. There was an allegation that Rhodesians, described as South Africans, were being trained at Quantico Marine Base in the U. S. Do you have any comment?

A. There are no Rhodesians receiving military training in the U. S. or, for that matter, there are no South Africans receiving military training here.

NOTE: The substance of the above guidance will be used by State. For detailed questions on specific laws or provisions you should refer to the State Department.