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MEMORANDUM

THE WHITE HOUSE

April 15, 1975

MEMORANDUM FOR:

RON NESSEN

FROM:

JERRY WARREN

SUBJECT:

President's Briefing Book for ASNE

Attached is the President's press conference briefing book for tomorrow's session with a panel selected by the American Society of Newspaper Editors.

Because the preponderance of questions is likely to deal with Indochina and foreign policy in general, we have limited other subjects to either very basic Q&A or new issues that have arisen since the President's last press conference.

The President's meetings on the Farm Bill have left him better prepared to deal with questions on it than our input could have done.

Still to come is an update on the status of energy negotiations (from Mike Duval). Also to come are updates from the NSC as events and decisions necessitate changes or additions to those Q&A in this book.

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S BRIEFING BOOK

(Key Questions)

For April 16, 1975

TAB A ECONOMY

TAB B BUDGET

TAB C ENERGY

TAB D GENERAL DOMESTIC

TAB E FOREIGN POLICY

TAB F CIA

TAB G MISCELLANEOUS

UNEMPLOYMENT

- Q: Unemployment rose again in March to 8.7 percent. Does this indicate an even worse economy than you anticipated?
- A: The increase in unemployment in March was not unexpected. The economy weakened further in February, and only a quirk in the employment sample prevented a further rise in that month. We must expect unemployment to increase until the economy bottoms out and begins to move upward, although we expect the increases in joblessness to be much more moderate in the next month or so.

A few signs suggest some improvement in the employment picture but they are still tentative and fragmentary. Retail sales have held up very well and excess inventories are being liquidated. As this process is completed production will begin to move up. Initial claims for unemployment insurance seem to have levelled off from February to March. The number of industries in which employment rose increased last month. The layoff rate in manufacturing levelled off in February while the rate of new hiring rose for the second straight month.

REVERSING THE RECESSION

- Q: What's happening in the economy now and when are we going to get out the recession?
- A: Although economic activity is still moving downward there are some signs that the worst of the recession may soon be behind us. We do expect a turnaround in the economy sometime around the middle of the year. As we look at different parts of the economy we see overall weaknesses but we do not see the downturn snowballing or becoming cumulative. Homebuilding is still very depressed, businessmen are cutting back their spending for plant and equipment but consumer spending in physical volume terms has shown signs of stabilizing in the early part of 1975 and excess inventories are being rapidly worked off. Consumers are feeling a bit more confident now than they seemed to feel toward the end of 1974.

One important reason why production and employment have been cut heavily in recent months is that businessmen have been trying to get rid of burdensome inventories. In some cases these efforts have already been successful, as in automobiles, where production has increased in March after a very steep decline in the late fall and winter. In other industries this process of inventory correction still has some distance to go, but as the process is completed production will start to rise.

In addition to the inventory correction the recovery in the second half of the year should reflect a turnaround in new homebuilding. Money has been coming back into thrift institutions, so that they now have funds available for mortgages, and mortgage interest rates have edged downward. The tax cut should give a large boost to consimer spending in the second half of the year and we have also been witnessing, in recent months, a lower rate of inflation, which will also serve to stimulate consumer spending.

WHOLESALE PRICES

- Q: Wholesale prices declined in March for the fourth consecutive month. Does this indicate that inflation is no longer a problem and that more vigorous actions to reduce unemployment should be adopted?
- A: Inflationary forces have been greatly reduced not only at the wholesale level but at retail as well. Wholesale prices have declined at 6.4 percent annual rate during the past four months compared with a 20.9 percent rise during 1974. Consumer prices have risen at an eight percent rate since November--compared with a 12 percent increase last year.

Although inflation has subsided it is still too high. We expect a further abatement in the pace of price increases in the months ahead--but we must be very careful to avoid policies that are so expansive as to recreate next year the high inflation-high interest rate problems of 1974.

- Q: What is the Administration's position on the congressional resolution which recommends monetary policies to the Federal Reserve Board. Doesn't this mean Congress is trying to take over monetary policy?
- A: Let me emphasize the need to preserve an independent Federal Reserve System. It is essential for the chief architect of monetary policy to be insulated from day to day political pressures which could jeopardize the effectiveness of its policies. While the Federal Reserve Board is a creation of the Congress, it must be permitted to carry out its policy decisions without interference from the Executive or Legislative arms of Government.

Some of the initial proposals in the Congress were very troubling in this regard. As a result, I am pleased that the Congress now appears to be moving toward a compromise which should not jeopardize this independence or undermine the Fed's continuing effectiveness.

INFLATIONARY PRESSURES

- Q: Is there any danger that increases in spending will rekindle inflationary pressures?
- There is a real danger that unless we are very careful about spending A: inflationary pressures will reappear. Past experience has shown that spending programs initiated to combat recession have very often had perverse effects. There are long delays in starting spending programs and when they do finally become effective the need for the spending has passed. Furthermore, temporary spending programs have a way of becoming permanent so that the spending itself adds to demand at a time when the growth in demand should be moderated. Once programs are locked into the budget they become difficult to eliminte and they thus constitute a continuing source of demand pressure long after the original need has passed. Because of these dangers it makes much more sense to combat the recession via the lax-cut route. There have already been increases above the spending totals initially proposed in the budget in February and unless these are kept limited, the progress against inflation we have seen thus fare will be largely lost. Each committee of the Congress cannot attempt to conquer the recession with its own pro gram. Indeed it would not be difficult to obtain deficits as high as \$100 billion for FY 1976 if all the proposals made by individual members of the Congress thus far were enacted into law.

PUBLIC SERVICE JOBS

Question

What do you think of the House Democrats' plan to push through Congress this month a special \$5.9 billion appropriation designed to create two million jobs? Carl Albert estimates the funds would create 900,000 new jobs and indirect effects would double that number.

Answer

After a careful review of the situation, I forwarded a \$2 billion supplemental appropriation request to the Congress to continue public service employment and provide 760,000 additional youth jobs this summer.

But the Administration is opposed to other appropriations in this bill:

- -- It is doubtful that the other proposals will add jobs as quickly as anticipated.
- -- Effects will be spread over too long a time. For the \$3.9 billion I did not request, more than half the spending can be expected in fiscal year 1976.
- -- Many of the proposed appropriations create undesirable program consequences. For example, \$443 million is provided for automobile purchases by GSA and the Postal Service. This would mean replacement of the entire GSA fleet of 73,000 vehicles, even though only 19,000 are eligible for replacement.

We recognize that some Congressional proposals would appropriate more money in these and other areas. However, there are limitations on how quickly and effectively public service employment can be expanded. In addition, there is a need to hold down the growth in Federal expenditures. But we recognize the hardship that unemployment imposes and will take additional actions if they are clearly required.

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CONGRESSIONAL BUDGET COMMITTEES

Question

What do you think of the House Budget Committee's recommendations on the 1976 budget? Do you find their totals and their priorities acceptable?

Answer

As I understand the figures, the House Committee is recommending outlays of about \$368 billion, receipts of about \$295 billion, and a deficit of about \$73 billion. The spending and deficit figures are higher than I believe are appropriate. The burden that these totals would impose on financial markets poses a serious threat to the very economic recovery that they are supposed to stimulate, and the impetus that they give to spending could be the source of inflationary pressures for sometime into the future.

As I stated when I signed the Tax Reduction Act, I have drawn the line at a deficit of \$60 billion. We dare not go beyond that figure. When the Committee's bill reaches the House floor, I urge the House to hold the deficit to that figure.

For this reason, I am concerned about the numerous add-ons that the Committee is proposing in many programs. This is not the time to start new programs and to lift the base of existing ones in the guise of providing needed economic stimulus. We should have learned long before now that such actions come back to haunt us time and time again.

Certainly, I do not agree that defense should be cut. I believe that the cuts recommended by the Committee -- \$8 billion in budget authority and \$4-1/2 billion in outlays -- would impair the Nation's defense.

I am gratified to have the Committee accept my idea of a ceiling on the cost-of-living adjustment in certain benefit payments to individuals (although theirs is a higher ceiling) and on the pay raise for Federal employees.

Postal Rate Phasing

Question:

Why does your budget fail to request funds for the extended phasing of postal rate increases for second, third and fourth class mail?

Answer:

I believe it is in the best interests of the American taxpayer and the mailers, that we move forward toward the goals of postal reorganization, which I firmly support. To fund an extension in the five and ten year phasing schedule which was originally established in the Reorganization Act, would add a burden of at least \$750 million more on the American taxpayer over the next several years. I do not believe the taxpayer should bear this additional costs.

I have recommended to the Congress that \$511 million be provided in 1976 alone to help assist mailers in adjusting to higher postage costs. This funding continues the phasing schedules set forth in the original Act, which I believe are adequate to assure strong and healthy publications.

SENATE ACTION ON ENERGY EMERGENCY STANDBY LEGISLATION

Question

The Senate recently passed an emergency standby authorities bill that is somewhat similar to Title XIII of your Energy Independence Act. Are you pleased with this response and how do you feel about the changes in comparison to your original proposal?

Answer

Although the Senate has moved quickly on this particular title of my Energy Independence Act, I do have major concerns with several aspects of their bill:

- 1. They have dramatically changed the nature of my bill from an emergency standby bill to be used in case of embargo type situations to a general purpose energy bill requiring a host of regulatory actions to achieve energy conservation. As you well know, I do not believe such an approach is the appropriate way to reduce our imports.
- 2. I am also troubled by the Senate's attempt to modify my ability to decontrol oil and by similar efforts of others to suspend that authority. I see no reason for the Congress to change a provision they once put into the bill after considerable debate and discussion, particularly in the absence of hearings on this matter and the fact that I have agreed to postpone any decontrol actions.
- 3. Another concern lies in the fact that the Senate's actions on the emergency bill are being taken in a piecemeal fashion. No attempt has been made in the Senate to date to work on this bill in conjunction with other parts of my energy program. In addition, it is not clear how the Senate's actions relate to either the Wright-Pastore plan or the Ullman plan. I would urge the Senate to think and act more comprehensively if we are to achieve an adequate solution to our complex energy problem.

RAILROADS

- Q: Secretary Coleman recently endorsed the notion of merging the nation's railroads into a handful of large transcontimental systems. Do you share his views, and if so, how does the Administration plan to implement this idea?
- A. There is no doubt that some fundamental changes are needed in the rail industry, which is in a state of financial and physical deterioration. The Secretary's merger proposal appears to be a promising direction to be heading in, and is basically consistent with our regulatory reform objectives. However, we have not yet explored all the ramifications of this proposal or detailed mechanisms for its implementation.

GUN CONTROL

Question

Mr. President, does the recent statement by Attorney General Levi calling for new gun control legislation represent Administration policy?

Answer

In his remarks on April 6, the Attorney General did not call for any legislation. He did identify a range of options in this area including stepped-up enforcement of existing law, a ban on so-called "Saturday-night specials", either directly or through tax incentives, and one innovative proposal concentrating on the gun problem in urban crime centers. These options are now being discussed with individuals representing every viewpoint on the issue of gun control. In due time, I shall meet with the Attorney General and set Administration policy in this area.

P. Buchen (2) 4/10/75

VOTING RIGHTS EXTENSION

Question

You are on record in support of a simple five-year extension of the Voting Rights Act. This Act currently has two general levels of enforcement. First, it operates to provide a Federal takeover of the entire election processes in the deep South states. Secondly, it provides authority for Federal intervention upon complaint in other areas of the country. Senator James Allen has recently referred to the more severe level of enforcement as a "humiliation to the South." Would you care to comment?

Answer

In recent years, the South has made enormous strides in ensuring the voting rights of blacks. Responsible arguments can be made to the effect that there is no longer a need for this more severe Federal intervention in the election processes of the deep South states. On balance, however, I believe a simple short-term extension of the Act is desirable. Let me say that I am not in favor of a long-term extension of the more severe enforcement procedure.

P. Buchen (2) 4/10/75

VOTING RIGHTS (CHICANOS)

Question

Earlier this year you announced your support for a simple fiveyear extension of the Voting Rights Act. Would you also favor an expansion of the Act to include protection for the voting rights of Chicanos?

Answer

The appropriate Congressional committees are currently considering such an expansion. Assuming that it can be achieved without running afoul of the Constitution, I support the concept of appropriate Federal guarantees for the protection of the voting rights of all minorities.

NOTE: This answer takes position not previously addressed by the President though he may very well want to to take such position. It would affect Texas, Arizona, and Southern California.

P. Buchen (2) 4/9/75

TAB E

- Q. All the polls on the Hill indicate that the Congress will not appropriate further military aid to South Vietnam. You must have known this. If so, why did you ask for the money? Did you just want to shift responsibility to the Congress?
- A. I am aware of the general skepticism in the Congress and among the public for additional military aid to South Vietnam. I am equally aware that as President, I must try to do what is right even if it is not always popular. I am very serious about my request for aid, and it is neither my purpose nor my intent to shift responsibility elsewhere.

 Based on a report from General Weyand, my request for \$722 million will provide South Vietnam with urgently needed specific military supplies to give that country a chance to stabilize the situation. Though the situation is critical, South Vietnam is continuing to defend itself with the resources available. In my judgment, a stabilization of the military situation, which the \$722 million would help provide, offers the best opportunity for a political solution.

SECRET AGREEMENTS

- Q: Did we make secret agreements with President Thieu in order to help persuade him to sign the Paris Agreements? What standing do those secret commitments now have, in your judgment?
 - It is worth recalling what our assumptions were when we signed the Paris Agreement. We had no illusions about the Paris Agreement. We had no illusions about the intentions of the North Vietnamese. We said repeatedly in our discussions with the South Vietnamese that the viability of the Agreement depended on the conditions that we maintained subsequently to sustain it. The key to South Vietnam's security and survival was not only in the clauses in the Agreement but also in how we stood by each other in the post-Agreement period.

It was the publicly-stated policy of the U.S. Government to maintain those conditions for the viability of the Agreement.

We stated publicly that the U.S. intended to continue its aid relationship with South Vietnamese within the limitations of the Agreement and to react vigorously to massive violations.

This was declared in those statements by President Nixon and in many other instances by Secretary Kissinger and other officials.

AID REQUEST AND EVACUATION

- Q. Are you asking for aid to Vietnam simply in order to gain enough time for our evacuation? Or do you really think it will make a difference?
- A. The South Vietnamese are fighting well, despite difficult odds.

 They are short of supplies and equipment, but they are holding tenaciously to a number of important positions.

to stabilize their position, which would offer the best opportunity for a political solution. The South Vietnamese Government still controls an area that contains 12 million people and many economic resources. They are preapred to continue fighting to defend themselves against the North Vietnamese.

Our assistance to South Vietnam must be swift and adequate.

That is why I have asked the Congress for \$722 million in military

assistance and have asked approval for these funds by April 19.

Our private discussion in diplomatic channels reflected the same policy and did not differ in substance from the publicly-stated declarations of our intent.

Beyond all this, however, was a deep moral obligation -- an obligation we feel today -- to help those who are fighting to defend themselves and who bave long been our friends.

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CSCE

- Q: Mr. President, there are a number of reports from Europe to the effect that there will be a summit-level meeting this summer to conclude the Conference on Security and Cooperation in Europe. What are your views on such a summit? Will you go?
- A: We are, of course, closely following the negotiations at the

 European Security Conference and up to now good progress seems

 to have been made. There are unresolved issues in several areas,

 but headway is being made in the negotiations. If the Conference

 is concluded along the lines that are now foreseeable, a summit

 conclusion is highly probable and the United States would

 participate. However, we need first to see the results of the

 negotiations still underway.
- Q: Mr. President, there have been criticisms over the United States agreeing to legitimize the Soviet Union's World War II territorial acquisitions in this European Security Conference. Why are we taking this action?
- A: First, I do not wish to prejudge the outcome of the current
- do not involve the preparation of a peace treaty.

The European Security talks are aimed at producing declarations that should assist in the process now underway of reducing tensions and increasing contacts and cooperation between

East and West. The CSCE documents will not alter the legal position of any participating state on European territorial questions.

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PORTUGAL

- Q: Mr. President, you failed to mention Portugal in your recent foreign policy address to Congress. How will recent developments in Portugal -- additional Communist representation in the cabinet and increased military control over government affairs, for instance -- affect U.S. and NATO policy toward that country?
- A: As you will recall, I commented very recently on this matter when I was in California. The situation in Portugal that has evolved over the past few months raises questions for the United States in relation to our NATO policy and our policy toward Portugal. With respect to NATO, this is an Alliance matter to be discussed with all our allies, and we are in close consultation with them on this issue.

- Q: Will you recommend to the Congress safeguards to make certain that our intelligence services cannot be used for unconstitutional domestic intelligence operations?
- A: As a result of the inquiry of the Commission headed by Vice

 President Rockefeller and of the Congressional inquiries now

 getting under way, there may be a number of recommendations

 for changes in our intelligence services and activities. Until

 the results of these inquiries have been received, it is premature

 to comment on any follow-on action.

COUNTERVAILING DUTIES

Question:

There has been talk that you would impose countervailing duties against European Community cheese exports to the United States. Why have countervailing duties not been imposed?

Answer:

I have indicated that I would not accept any solution to this problem that did not protect the interests of the American dairy industry.

In early February the EC re-instituted their system of subsidies of cheese exports. We did not react inflexibly by immediately applying countervailing duties, because we were trying to obtain European cooperation in a solution which would not have adverse consequences for our broader interests. We are now working actively with the Europeans to insure that American industries are protected from unfair competition, knowing that the EC will recognize the importance which the U.S. attaches to the resolution in this issue.

LAW OF THE SEA CONFERENCE

- Q: Mr. President, in your recent address to Congress, you said:
 "The world's oceans, with their immense resources and strategic importance, must become areas of cooperation rather than conflict. American policy is directed to that end." With the Law of the Sea Conference in Geneva half over, what progress has been made to date toward reaching a treaty agreement?
- A: As you note, the Conference is at mid point. From the reports

 I have been receiving from the U.S. Delegation at Geneva,
 substantial progress has been registered in a number of important
 areas -- hard work remains to be done. In the four weeks
 remaining in the Conference, I would hope that all the nations
 represented will devote every effort to reaching accommodation
 on outstanding issues and to producing a comprehensive and widely
 accepted oceans treaty. In this regard, I can assure you that the
 United States will continue to play a role of leadership.

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USSR TRADE

- Q: Mr. President, you said on April 10 that you would seek remedial legislation to deal with the matter of trade with the Soviet Union.

 What specific steps do you have in mind?
- A: As I have said before, this Administration fully supports the expansion of mutually beneficial trade between the United States and the Soviet Union -- first and foremost because this is fully in the best interests of the United States.

You are aware that the Trade Act of 1974 prohibits most-favorednation treatment, credit and investment guarantees and commercial
agreements with the Soviet Union so long as their emigration
policies fail to meet our criteria. As I said on April 10, this
legislation has harmed our relations with the Soviet Union and at
the same time has seriously complicated the prospects of those
seeking to emigrate.

Informal discussions have been in progress with the Congress with respect to this legislation. We look forward to working cooperatively with Congressional leaders in finding a way to accommodate the concerns expressed in a manner serving the overall interests of the United States.

NATO SUMMIT

- Q: Mr. President, in your speech on April 10 you said you hoped to join with the other leaders of the Atlantic Alliance at a Western Summit in the very near future. When do you expect that meeting to be and what would be its purpose?
- A: There are no peoples with whom America's destiny has been more closely linked than those of Western Europe. None of the members of the Atlantic Community can be secure, prosper or advance unless all do so together. At a time when our close collaboration is essential to assure our common security, to improve East-West relations and to pool our energies on the great new economic challenges, our relations with Western Europe have never been stronger.

Since the beginning of my Administration, I have devoted special

attention to fostering this spirit of unity and common purpose through close and frequent consultations with our NATO allies. Substantial progress has been achieved in promoting cooperation to meet our energy and economic problems. These new steps, together with the pace of international developments in recent months, suggest that the time is at hand for the Western leaders to take stock and to consult on this agenda of common concerns. The members of the Alliance are now considering a mutually convenient time for a Heads of Government meeting, and I look forward to such a meeting.

I believe the prospects for further improvements in US-USSR relations -- taking into account recent international developments -- remain good insofar as they depend on our actions. It is my impression that the Soviet leadership continues to share in this desire for further progress based on mutual interest and mutual restraint. And, I am looking forward to General Secretary Brezhnev's visit to the United States this year as an important part of this process.

- Q: What is the date for General Secretary Brezhnev's visit?
- A: I do not have any specific announcement to make on this visit today.

 However, I am, of course, aware of your interest, and I will keep

 this in mind with a view to ensuring that you are informed of the

 detailed arrangements as soon as they have been made.

CYPRUS SITUATION

- Q: Mr. President, our understanding is that the talks between the two Cypriot communities are scheduled to begin again on April 28 in Vienna. Does this development increase the prospects of achieving a negotiated settlement of the Cyprus dispute at an early date?
- A: I support the resumption of the intercommunal talks. In my view such consultations offer the best hope of achieving a peaceful solution to the Cyprus problem agreeable to all -- Greece, Turkey and Cyprus. At the same time, we will continue to offer our good offices in the efforts by the parties directly involved to reach an equitable settlement.

AID TO GREECE

- Q. Mr. President, in your April 10 message to the Congress you mentioned economic and military assistance to Greece. What are the amounts and categories of this assistance?
- A. We are consulting very closely with the Greek government on the details of this assistance. Since these consultations are still in progress, I will simply say that this program is being developed in keeping with the common interests we share with Greece as friends and allies.

MIDDLE EAST NEGOTIATIONS

- Q. What is your strategy in the wake of the failure of Secretary Kissinger's trip to the Middle East? Whom do you feel was to blame for the breakdown in talks and is there any chance for the step-by-step process to be revived?
- A. Our objective is to prevent war and keep negotiations going in the interest of achieving an overall settlement. Our strategy in the negotiations has been to pursue a pragmatic process which separates the highly complex Middle East problem into manageable segments. That strategy has now suffered a setback.

Levying blame for the suspension of Secretary Kissinger's negotiations does not help us achieve our objective -- further progress on the road to a just and lasting peace in the Middle East. Rather than indulge in recriminations, we want to concentrate on where we go from here.

However, it is my view that Israel, which had the most to gain from a process of negotiation with the US as the mediator, should have shown greater flexibility. It was my disappointment with the demonstrated lack of flexibility that I was expressing in my interview.

The consequences in the Middle East and for the United States and the rest of the world could be very serious. As I emphasized in my April 10 foreign policy address, I remain fully determined that the peace process move forward as we cannot accept a stalemate.

UN PEACEKEEPING FORCES IN MID EAST, REOPENING THE SUEZ CANAL

- Q. Do you expect Syria to follow Egypt and allow the UN peacekeeping forces to remain in the buffer zones between Syria and Israel? Are you pleased with Sadat's decisions, including to reopen the Suez Canal in June?
- A. These forces are essential parts of the disengagement agreements on each front. The agreements were concluded as a step toward a peace settlement in accordance with Security Council Resolution 338. We naturally hope that the peacemaking process will be continued and the mandates of the UN forces renewed.

I welcomed President Sadat's announcement of the reopening of the Canal as a constructive initiative that can only enhance the climate for reason and moderation. It is very important that all parties adopt constructive attitudes in this period so that progress toward peace can be resumed.

PALESTINIANS

Q: Will the US be reassessing its position towards the PLO in the wake of a failure of our diplomacy in the Middle East and will the PLO be attending the Geneva Conference when it

resumes?

A: Our position has been and remains that an eventual overall settlement of the Middle East problem based on Resolutions 338 and 242 must take into account the legitimate interests of all peoples in the area, including the Palestinians. I reaffirmed this in Vladivostok and this remains our position.

The Palestinian problem is one of the issues in the negotiations.

The invitation for the Geneva Conference to begin in December 1973 notes that the issue of representation is one to be discussed in Geneva by the parties. The issue of negotiations between the PLO and Israel or our so-called recognition of the PLO is really academic since the PLO does not recognize Israel's right to exist.

MIDDLE EAST SITUATION

Q:

In view of the current situation in the Middle East, do you see the chances of war increasing and a general rise in instability in the area?

A:

History has shown that in the absence of progress in negotiations the chances of war increase in the Middle East. In this period of potentially great danger, we need a calm appraisal of the situation and a reassessment of our policy. During the uneasy days ahead we look forward to working with all the parties in the Middle East in the search for a durable peace settlement.

US SUPPORT FOR ISRAEL--FOREIGN POLICY ADDRESS

- Q: In your foreign policy address on April 10, you made clear that the US would work toward peace in the Middle East.

 Why did you not mention US support for Israel's security?
- A: US support for Israel's survival and security is a vital element of the policy of this Administration just as it has been since the Israeli state came into being in 1948. There has been no change in this clear and frequently stated policy. But the best long-term assurance of Israel's survival and well-being is a peaceful settlement with its Arab neighbors.

 In my speech April 10, I pledged the United States to a major effort for peace in the Middle East, an effort supported by the American people and the Congress.

GENEVA CONFERENCE

- Q: Since Egypt asked the Co-Chairmen of the Geneva Conference—
 the US and USSR--to reconvene the conference, how does the
 United States view a reconvening of this conference? When
 will it resume and what is the US position on the attendance
 of other states such as France and the UK?
- A: We are prepared to take any steps to help promote a lasting peace in the Middle East, including the reconvening of the Geneva Conference. We are prepared as well to explore other forums and we will be consulting with the parties involved about next steps. As I stated in my address to the Congress April 10, the United States will move ahead on whatever course looks most promising, towards an overall settlement or interim agreements should the parties themselves desire them.

US-ISRAELI RELATIONSHIP

- Q: What impact will your reassessment have on the close US-Israeli relationship? Will we cool our relationship with Israel and possibly reduce our economic and military assistance commitments? How will you respond to Israel's staggering \$2 billion aid request? Are we holding up the letter of offer on the F-15 and the Lance missile?
- A: Our reassessment is not aimed at Israel or any party and we are not approaching it with any preconceived notions. It is an effort to adjust to new conditions and to determine what the best course might be. We had been pursuing a pragmatic, step-by-step approach to an overall peace settlement. Now we face a much more complicated situation with some very difficult choices. We need to review our policy options to see what can be done to avoid a potentially disastrous war and resume movement toward a durable peace.

Our military reslationships with other nations, including Israel are reviewed regularly. At the present time, all aspects of our Middle East policies are being integrated into our overall reassessment. Aid levels have not yet been determined, but we will make our own decisions on aid on the basis of our national objectives and our commitment to the survival of Israel.

STEPS IN MIDDLE EAST POLICY REASSESSMENT

- Q: What are you doing with respect to your announced reassessment of our Middle East policy?
- A: Secretary Kissinger and I discuss this issue regularly.

 In addition, I have a number of actions underway designed to obtain the widest possible range of advice.
 - (1) Within the Government, I have directed a National Security Council study under the chairmanship of Under Secretary Sisco. This study will be submitted to the National Security Council within the month.
 - (2) I asked our Ambassadors from Egypt, Israel,

 Jordan and Syria to return to the U.S. for consultation in

 order that we can have the benefit of their advice, and I

 met with the four Ambassadors this week (Monday, April 14).
 - (3) I have met with the Congressional leadership, and both Secretary Kissinger and Under Secretary Sisco have been meeting with Members of Congress.
 - (4) We are consulting with a wide variety of individuals and groups outside the Government, and have met with a number of leaders of the American Jewish community. Secretary Kissinger has met with distinguished groups of businessmen and former high Government officials. We intend to continue this policy by inviting other groups for consultation in the days ahead.

In sum, I intend to get the widest possible input to this reassessment, but I want to assure you that the policy which emerges will not reflect just one particular viewpoint but will be in the overall U.S. national interest.

CAMBODIA

Question:

Can you confirm Prince Sihanouk's statement to the press last weekend that the U.S. invited him back to Phnom Penh to take over the government of Cambodia?

Answer:

Many people have made public and private statements about the situation in Cambodia, and no useful purpose is served by going into details of discussions. The U.S. has had frequent exchanges with various public figures, among them Prince Sihanouk, in the interest of furthering our consistent objective of an independent Cambodia, living in peace.

INDOCHINA AND THE MIDDLE EAST SITUATION

- Q: What effect do you think the recent situation in Indochina will have on the Middle East situation and particularly on Israel's willingness to make an agreement if it believes that the US cannot follow through on its commitments to its allies?
- A: For many years the United States has enjoyed a position of strength in the world. The confidence that our allies have in us has global influence for peace. Our support for Israel has been a fundamental element of our foreign policy through six Administrations and has broad Congressional and popular support. But nations judge us by our actions and not by our words and gestures, however well intentioned they may seem.

 We have demonstrated our commitment to the survival of Israel and to the development of a lasting peace in the Middle East.

 The Indochina situation will not affect our continuing pursuit of peace in the Middle East -- which is in the long term interest of the United States and the countries of the area.

AID TO CAMBODIA

- Q: Do you or do you not still want aid for Cambodia? At one point in your speech Thursday night you said it may soon be too late. Then you said that you wanted the aid again. Where do you stand? How will we deliver the aid?
- A: In my speech on Thursday night I said that it might "soon" be too late because the necessary assistance for Cambodia has been so long delayed. The Cambodians are fighting with very limited reserves of fuel and ammunition.

But the fact that it might soon be too late should increase our sense of urgency. We continue to stand by our aid request to show our support for a brave and friendly country that has counted on us. For as long as resources permit we are delivering aid by air drop to Cambodia.

TAB F

CHURCH COMMITTEE REQUESTS

Question: Have you decided yet where to draw the line?

Which materials will you not provide to the

Select Committee?

Answer: We are still working on a case-by-case to

decide which materials we $\underline{\text{can}}$ provide, and what procedures and protections are necessary

and appropriate with respect to those

materials. I don't believe it is useful at this point to speculate on what areas may

present special problems.

P. Buchen 4/15/75

RESPONSE TO CHURCH COMMITTEE

Question:

Have you responded to Senator Church's requests for White House documents relating to intelligence activities?

Answer:

My Counsel has met regularly with the Select Committee's Staff Director and Legal Counsel. The Committee has received copies of (1) the "Colby Report" (2) a number of highly classified NSC memoranda and directives on intelligence activities (3) copies of all executive orders relating to the structure of the intelligence community and the legal foundation for particular intelligence activities and (4) copies of organizational materials relating to the National Security Council. The Counsel's office and the Select Committee are still discussing appropriate procedures with respect to certain categories of very sensitive information.

P. Buchen 4/15/75

COLBY REPORT

Question: Will you give the Select Committee the Colby Report?

Answer:

As you know, on January 4, I established a Commission on CIA Activities Within the United States. The Commission, which has been chaired by the Vice President, has had the Colby Report and has already done a considerable amount of work on the various matters raised in the Colby Report. The Commission's final report is due by June 6. We hope that the Select Committee will have the benefit of the Commission's report in connection with its own work. Obviously, it would be unfortunate if the Select Committee duplicated the important work already done by the Rockefeller Commission.

With respect to providing the Colby Report, it was given to the Select Committee on April 14. Now that the Select Committee has the report, they will be apprised of the matters already under review by the Rockefeller Commission, and won't have to "re-invent the wheel."

P. Buchen 4/15/75