

The original documents are located in Box 43, folder “5/23/75 - BBC Interview (1)” of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

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THE WHITE HOUSE

WASHINGTON

May 22, 1975

MEMORANDUM FOR: RON NESSEN
FROM: JIM SHUMAN
SUBJECT: THE PRESIDENT'S BRIEFING BOOK

Attached is the President's Briefing Book for his interview with the BBC tomorrow, Friday, May 23.

Attachment

THE WHITE HOUSE

WASHINGTON

May 22, 1975

THE PRESIDENT'S BRIEFING BOOK

(Key Questions)

For May 23, 1975

TAB A ENERGY AND OIL

TAB B FOREIGN POLICY

TAB A

DECONTROL

- Q. What effect will decontrol have on consumers?
- A. Petroleum-related energy costs should increase by about one percent in 1975 as the result of phased decontrol. The increase rises to about 5 percent in 1976 and 9 percent for 1977. Gasoline and motor oil account for approximately 85 percent of the increase.

The estimated effects of phased decontrol on consumer costs will be a 0.9 percentage point increase in the rate of change of the Consumer Price Index between 1975 and 1977. Based on these estimated changes, the total costs per household of decontrol are approximately \$121 and the indirect cost are approximately \$44 per household.

Of course, the net effects of decontrol will be less, depending on the type of windfall profits tax Congress enacts.

5/22/75
FEA - P&A

THE ULLMAN PLAN

QUESTION: Your press secretary, Ron Nessen, has referred to the Ways and Means energy plan as a "marshmallow" and Congressman Ullman has used that same word to describe your energy package. Does that mean you have reached an impasse on energy legislation? Where do you go from here?

ANSWER: The need for a comprehensive energy plan is even greater now than it was in January when I proposed our energy and economic package, and the only factors that have been keeping down the level of our oil imports are the slowdown in the economy, and the relatively warm weather we experienced in some parts of the country this past winter. However, the level of imports is going to rise. Every day we become more, not less, energy dependent. Yet Congress has still failed to enact a single piece of legislation that would take us down the road to energy independence.

The Ways and Means Committee bill is simply not strong enough to move us toward that independence, but we will continue to work to strengthen the bill on the House floor.

QUESTION: Does that mean you will veto the legislation if it reaches your desk?

ANSWER: I am still waiting for an analysis of the bill, and I will make no final decision before reviewing that analysis. However, I will not sign a bill that is a phantom program, a program that will in fact make us more vulnerable to foreign suppliers while appearing to solve this Nation's energy crisis.

(5/15/75)

TAB B

MEMORANDUM

MENT

THE WHITE HOUSE

WASHINGTON

May 16, 1975

re:
adm:
ad p:
law

MEMORANDUM FOR:

PRESIDENTIAL BRIEFING BOOK HOLDERS

FROM:

JIM SHUMAN

THE ULLMAN PLAN (5/15/75)

Please pull the two Ullman Plan questions (located under section C in the Presidential Briefing Book) insert the current Ullman Plan questions, attached.

CONGRESSIONAL BUDGET (5/14/75)

Please add the attached Congressional Budget question (place under section B in the Presidential Briefing Book).

May 14, 1975

Question:

What is your reaction to the Congressional Budget just voted by the House and Senate?

Answer:

Both Houses of Congress have now taken action on the first joint resolution setting budget targets. We are very pleased that the new budget procedures -- which relate individual spending and revenue actions to budget totals -- are working. The process is not an easy one, and the commitment by the Congress to making it work is very encouraging.

The resolution proposes total outlays of \$367 billion, with receipts of \$298.2 billion and a deficit of \$68.8 billion. Unfortunately, the momentum of higher spending and large deficits contained in this resolution could carry over into future years, generating further economic problems. The stimulus presently contained in Administration economic proposals should be enough.

Within the total, for outlays, we are particularly concerned about the \$3.9 billion reduction in the defense function. We are also concerned that the Congress has failed to recognize major budget reductions I proposed, including the 5% limit on a number of programs related to the cost-of-living. This failure will also add to future deficits.

Beyond such concerns, however, the action by the Congress is a big step forward because it will make it possible for the Congress to monitor individual spending actions and thereby increase the likelihood that the budget will not grow uncontrollably.

OMB/Mathiasen

THE ULLMAN PLAN

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(5/15/75)

FOREIGN POLICY ACCOMPLISHMENTS

B.B.C.
Interview
May 23, 1975

Q: Mr. President, in your most recent press conference you reflected on the foreign policy accomplishments of your administration and the preceding Nixon administration. What would you characterize as distinctive about the last seven years, and how will you approach the decisions you must make in the days ahead?

A: When I took office, I underscored the continuity of foreign policy to be expected in my administration--a foreign policy based on close consultations with our friends and continued negotiations with our competitors aimed at producing a more peaceful, more stable world.

These are times of immense challenge for the United States. The international issues we face--strategic, political, economic, energy--are extraordinarily complex. Any action by this great country is inevitably felt by many other countries, and this is a consideration I must bear in mind in the decision-making process. If there is a distinctive quality to my foreign policy, I would say it is my total commitment to working with our friends and allies to safeguard and advance U.S. interests and our common interests as part of a broader effort toward mutually beneficial cooperation with all countries. As President, I approach this process working first and always to develop a full appreciation of the fundamental interests of the United States, relating our interests to those of our friends, and in that context addressing the foreign policy issue at hand.

The course which our country chooses in the world today has never been of greater significance for ourselves as a Nation and for all mankind. We build from a solid foundation. Our alliances with

great industrial democracies in Europe, North America and Japan remain strong with a greater degree of consultation and equity than ever before.

With the Soviet Union we have moved across a broad front toward a more stable, if still competitive, relationship. We have begun to control the spiral of strategic nuclear armaments. After two decades of mutual estrangement, we have achieved a historic opening with the People's Republic of China.

In the best American tradition, we have committed, often with striking success, our influence and good offices to help contain conflicts and settle disputes in many, many regions of the world.

We have, for example, helped the parties of the Middle East take the first steps toward living with one another in peace. We have opened a new dialogue with Latin America, looking toward a healthier hemispheric partnership.

We are developing closer relations with the nations of Africa. We have exercised international leadership on the great new issues of our interdependent world, such as energy, food, environment and the law of the sea.

The American people can be proud of what their Nation has achieved and helped others to accomplish these past seven years.

As Chief Executive I will continue to address the foreign policy interests of the United States in terms of the interests of all Americans, and I will continue to work with both sides of the aisle in the Congress in the pursuit of these most important interests.

THE FUTURE OF AMERICAN FOREIGN POLICY
AFTER VIETNAM

Q: Now that our involvement in Vietnam is finished, where do we go from here? Will we revise our world-wide policies or will we keep them? Will we avoid other entanglements and reassess the other commitments we have elsewhere in the world?

A: There is no question but that American policy has suffered a setback in Vietnam. It is important that we examine carefully the conditions emerging in Indochina in the wake of that setback and reaffirm to our allies in Asia the firm resolve of the United States to carry on with current policies and actions designed to resolve the important problem of common concern before us. No reassessment is required. Events in Indochina do not alter the validity of U. S. policies elsewhere in Asia and surely not in the rest of the world.

We have a sound foreign policy structure and we must constantly keep that in mind at this difficult time.

We must play a major role in world affairs; therefore, we must resolve not to shrink from the duties of leadership on complex issues of our interdependent world. We must respond to adversity with dignity and demonstrate to all that we can and will continue our role as a major force for peace throughout the world.

There is much to be done: We have allies who have relied upon our cooperation and support for more than a generation. From a position of strength we have engaged adversaries in negotiations to lessen tensions and seek common grounds of cooperation in the interest of reducing the dangers of war. We must meet the challenges of hunger and lead the way for applying technology to the benefit of mankind while preserving the world environment. We must help to assure that the oceans are used as a basis of peaceful cooperation rather than conflict. A new order is emerging in which all nations must have a part and in which, as long as I am President, Americans will have a leading role.

SYRIAN RENEWAL OF UNDOF

Q: Are you pleased with the Syrian decision to renew the peace-keeping forces for another six months? Do you believe that Egypt should have renewed its mandate for the full six months rather than only three as Sadat announced? Were you forewarned on the Syrian decision and did the US influence that decision?

A: I regard the Syrian decision as a very constructive development. I believe this will give us an opportunity to continue to work towards peace in a calm atmosphere. I am pleased that Israel, Syria and Egypt have all now agreed to extend the mandate of the UN forces. It is very important for all parties to put forth constructive positions in the period ahead so that rapid progress towards peace can take place in a favorable environment.

US MILITARY SUPPLY POLICY TO THE MIDDLE EAST

Q: Is not the US fueling an arms race in the Middle East -- between Israel and the Arabs and even among Arab states themselves -- by huge military sales?

A: Our policy in the Middle East has had two thrusts:

-- We have made a major effort to advance negotiations toward a peace settlement and that effort continues;

-- We have made important moves to strengthen our bilateral relations with the key nations which have a role in building a peaceful and stable Middle East.

In pursuit of the second aim, we -- as a friendly nation -- are asked to help individual states meet their national security requirements. The US has an interest in such self-defense as a contribution to the security of those states whose policies we believe are compatible with our own and contribute to peace in the Middle East.

This naturally includes Israel but it is not inconsistent to supply arms in a responsible manner to other countries -- for instance, Jordan and Saudi Arabia -- any more than it is inconsistent for the US to seek excellent political and economic relations with both our Arab and Israeli friends.

We should also keep in mind that if we do not supply the arms some other country will.

ISRAELI-SOVIET CONTACTS

Q: Are we involved in the emerging contacts between the Israelis and the Soviets and do we support these contacts? How do you see a rapprochement between Israel and the USSR affecting power relationships in the area and the prospects for a Middle East peace, including settlement of the Palestinian issue?

A: This is a matter for the parties concerned to determine and I am not going to comment except to say we welcome any moves that would further the cause of peace in the Middle East.

ECONOMIC ASSISTANCE TO ISRAEL

Q: Are you planning to slash Israel's \$2.5 billion aid request?

A: We have always done our best in support of our commitment to Israel's well-being. At the present time, all aspects of our Middle East policies are being integrated into our overall reassessment. New 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 and the pursuit of peace in the Middle East. The reassessment is not a punitive exercise against any country.

PURPOSE OF MEETING WITH PRESIDENT SADAT
OTHER MEETINGS

Q: Will the U. S. policy reassessment be concluded by the time you meet with Sadat in early June and will your meeting involve the launching of a "new" US initiative in the Middle East? What will be the outcome of your meeting?

A: This will be a first opportunity for me to meet President Sadat and discuss the Middle East situation and the evolution of U. S. - Egyptian relations personally with him. I look forward to this opportunity. While our policy review remains underway, I am not going to prejudge or speculate on the outcome or on specifics of a meeting which has yet to be held. As you know, I will also be meeting with Prime Minister Rabin in June as a part of our efforts to move toward peace in the Middle East. I will not make any final decisions until after these meetings are conducted.

US SUPPORT FOR ISRAEL-- FOREIGN POLICY ADDRESS

Q: In your foreign policy address on April 10, you made clear that the U. S. would work toward peace in the Middle East. Why did you not mention U. S. support for Israel's security?

A: U. S. support for Israel's survival has been an element of American foreign policy since the Israeli state came into being in 1948. There has been no change in this clear and frequently stated policy. But there could be no better long-term assurance of Israel's survival and well-being than 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, and effort supported by the American people and the Congress.

U. S. STRATEGY IN THE MIDDLE EAST DISPUTE

Q: Since our step-by-step diplomacy has been suspended, will the U. S. now turn towards efforts to build a framework for a comprehensive settlement? Can you envisage the parties developing a plan for an overall settlement which could then be worked out in stages? Or would you prefer a revival of the step-by-step approach? Is there a "new" U. S. initiative planned for reviving efforts for an interim agreement?

A: Our objective has always been an overall settlement which resolved all problems outstanding between the Arabs and Israel. Our step-by-step approach was never viewed as an end in itself but rather as a means of making progress on particular issues and building confidence to enable further steps to be taken toward an overall peace.

In our policy review, we are examining all options for achieving an overall settlement and, as I have already indicated, there are several possibilities, including (a) resuming efforts to achieve interim agreements, (b) seeking an overall settlement or, (c) seeking some sort of interim arrangements in the process of negotiations for an overall settlement. We will continue to seek the views of the parties as we conduct our own policy review. I am not going to prejudge the outcome of what might be the best negotiating strategy but the objective remains constant -- the

achievement of an overall and comprehensive settlement. We are determined that there will be no stalemate or stagnation in the progress toward peace in the Middle East. We are prepared to pursue any avenue, including Geneva, and we are prepared to assist in whatever way seems most likely to be effective.

THE GENEVA CONFERENCE

Q: Will you be agreeing with President Sadat, when you meet him, on the resumption of the Geneva Conference? When do you expect Geneva to be resumed and how do you envisage the role of the Soviets, the PLO and/or a Palestinian representation and of others like France, the UK or some of the non-aligned countries which Sadat has mentioned?

A: Although we are prepared to go to Geneva, its resumption is a matter which involves all of the parties. We are still seeking their views and we are in touch with the Soviets who share with us the role of Co-Chairman of the Conference. As to the inclusion of other participants, this is a matter for the parties involved to decide, and there is still the difficult problem that the PLO does not recognize Israel's right to exist.

May 3, 1975

INDO CHINA AND THE MIDDLE EAST

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. 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. It would be a mistake for any nation -- on either side in the Middle East -- to draw conclusions from Indochina for the Middle East, where the conditions and issues are quite different.

No nation should imagine it can pressure us. No nation should assume we will tolerate a stalemate. The U.S. is determined to maintain its constructive role and efforts to promote a peace settlement.

Moreover, on this issue there is no question in my mind -- and there should be no question in anyone else's mind, -- that the American people and the Congress fully support this role for the U.S. in the Middle East. Our resolve will not be weakened and our commitments can be relied upon.

MILITARY ASSISTANCE TO ISRAEL

Q: Is the US holding up or delaying delivery of the LANCE missile and F-15s or any aid, credit, sales or arms support for Israel?

A: Deliveries have already been completed on the large arms request which Israel made in late 1974 on an urgent basis, except in three or four cases where there are technical or availability problems. As for regular pipeline supplies, we are continuing to meet routine arms supply requests.

Decisions on any major, new military programs and on a few major sophisticated items which have already been requested will probably not be taken until after the current Middle East policy reassessment has been completed.

May 13, 1975

MILITARY ASSISTANCE TO ISRAEL--
SALES TO JORDAN

Q: Why has the U. S. held up certain new items for Israel as part of the Middle East policy reassessment but has gone ahead with the sale of the Hawk to Jordan? Is Israel being discriminated against?

A: We are moving on schedule to fulfill our economic and military assistance agreements with all countries in the Middle East for FY 75. On arms, the large special program Israel requested in late 1974 on an urgent basis has already been delivered, except in three or four cases where there are technical or availability problems. As for the regular military supply relationship, we are continuing to meet routine arms supply requests and deliver a large number of items in the pipeline; however, commitments for deliveries of new or advanced technology are not being made during the course of the reassessment. As our overall policy review proceeds, decisions will also be taken regarding these.

We have been discussing for over a year Jordanian air defense needs. King Hussein was informed several months ago of our decision in principle to supply air defense equipment over the next several years. A survey team went to Jordan in February and the matter was discussed further during King Hussein's recent visit, at which time final

agreement was reached on details. Thus, a decision was made in principle long before our reassessment began and, after careful consideration during the reassessment process, we have decided to go forward with it. The equipment involves purely defensive weapons and does not constitute a step to shift the balance in the area. In due course, decisions will be made with respect to other countries as well.

TREND IN U. S. -ISRAELI RELATIONS

Q. How do you see U.S. -Israeli relations evolving as contrasted to the improvement in U.S. -Arab world relations? Do you agree with some Israeli assessments that there is an erosion in U.S. support -- including public opinion and Congressional support -- for Israel and for Israel's negotiating positions? Since the Israelis believe that the Administration is privately blaming Israel for the breakdown of the recent negotiations, do you expect them to toughen their position until the U.S. -Israeli relationship is straightened out?

A. Support for Israel's survival is an essential element of the policy of this Administration, and I am sure it continues to have strong support from the Congress and the public. In the spirit of our close relations, I have already met with Prime Minister Rabin, President Katzir, Foreign Minister Allon and former Prime Minister Golda Meir. Secretary Kissinger recently saw Foreign Minister Allon, and I look forward to meeting Prime Minister Rabin again in the near future. America's commitment to Israel's survival has not changed; nor has America's commitment to peace.

To this end, we are trying to work with Israel as well as with the Arab parties, focusing on where we go from here, rather than what has happened in the past. Our reassessment is not punitive nor is it directed at any particular country.

We are reserving our decision on certain Israeli requests for new or advanced technology arms, but we will make decisions

in due course, just as we will on certain programs for Arab countries. For neither Israel nor the Arab countries have we reached the point of decision on aid figures for presentation to Congress.

SHAH VISIT

Q: What about the Shah's statement that there would soon be an increase in oil prices? Is this the sort of cooperation the U.S. has a right to expect after all it is doing for Iran?

A: We would regret another increase in oil prices because of the hardships which would follow for the people of developing countries as well as industrialized countries such as the United States. This would come at a time when much of the world is already suffering serious economic difficulties.

For our part, we are making a major effort to bring about effective cooperation between oil producers, consumers and developing countries to meet a number of economic problems which confront an increasingly interdependent world. We hope that the oil producers will join us in that effort.

LETTER FROM SENATORS ON ISRAEL

Q: What is your reaction to the letter from 76 Senators reaffirming support for Israel and calling on you to consult with them during the Middle East reassessment?

A: We have sought from the outset of our reassessment to obtain a wide range of views. I have received the recommendations from the Senators and will, of course, consider them. (Of course,) the United States is dedicated to the survival of a free and independent Israel, and we are working hard to maintain peace in the Middle East, which is after all the best long-term assurance for Israel, and the other states in the area.

As for consultation with the Congress, I emphasized in my April 10 address to the Congress that cooperation and consultation with that body is a cornerstone of my Administration. I have met frequently with members of Congress on the situation in the Middle East, as have others in my Cabinet.

OIL EMBARGO

Q: What is your position on Secretary Schlesinger's statements raising the prospect of possible military action in the event of another oil embargo and are you upset by Arab reaction to these statements?

A: My position on this issue has been stated on numerous occasions, as you all know. I specifically addressed our position on an oil embargo in my January 21 press conference. I talked about the hypothetical question of strangulation in the context of a nation's survival and you will recall I stated that an embargo similar to the measures taken in 1973 could not be construed as strangulation. Let me reiterate that we clearly seek cooperation and not confrontation, and we attach great importance to further improvement in our relationships with the nations of the Middle East as we work together toward a durable peace in that troubled region.

ANOTHER PREPCON?

Q: Secretary Kissinger, in Kansas City, indicated that the US was "prepared to attend a new preparatory meeting" between oil consumers and producers. Does the US have any pre-conditions for such a meeting, such as agreement not to include raw materials on the agenda? And did the US agree to attend a new preparatory meeting in the face of Yamani's threat to raise oil prices if the US did not?

A: The United States strongly believes that a dialogue between consumers and producers is in our common interests. In our view, a conference between producers, consumers, and developing countries should focus on energy and related issues. While we recognize the concern of developing countries about raw materials and other development issues, we believe that including these issues in the agenda would divert the focus of the participants from the main purpose of the conference--energy. We are, however, prepared to discuss these issues in a cooperative spirit in other forums, such as the UN Special Session in September.

Secretary Kissinger's statement was not made in response to any threat. Our interest in a new preparatory meeting is based on our desire for a constructive dialogue with producers. Our commitment to such a dialogue was stated at the last preparatory meeting; Secretary Kissinger's statement re-emphasizes our commitment and is totally consistent with our previously stated policy.

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.)

OAS CUBAN SANCTIONS

Q: There have been reports that the U.S. has welcomed the more forthcoming position announced last week by Premier Castro of Cuba and that a resolution of the impasse over lifting OAS sanctions is in sight. Are we preparing to take action to resolve our differences with Castro? Does this mean that the U.S. will support an OAS resolution to lift the sanctions?

A: During the OAS meetings which have been going on in Washington over the last ten days, we have had many useful conversations with the foreign ministers of the Hemisphere. The subject of OAS sanctions on Cuba was among those considered. The foreign ministers decided that a meeting should be called for the first part of July in San Jose, Costa Rica, for the purpose of drafting amendments to the Rio Treaty. Since one of the amendments relates to the vote necessary for lifting sanctions, it is likely that the meeting will also address the problem of Cuban sanctions. Until we see how the matter is presented, it would be difficult to state what the U.S. position will be.

I want to make clear, however, that the action being considered by the OAS would simply terminate the obligatory nature of the sanctions and would have no effect on U.S. sanctions on bilateral trade and contact with Cuba.

EUROPEAN TRIP - NATO SUMMIT

Q: Mr. President, what do you hope to accomplish at the NATO Summit meeting in Brussels May 29-30? What is the purpose of the meeting?

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 this time in our history, our close collaboration is essential for our common security, to improve East-West relations, and to pool our efforts on the new challenges in the fields of economic policy and energy. Since taking office last August, I have made consultations with our NATO allies a central element of U. S. foreign policy.

I look forward to the meeting in Brussels as an opportunity to take stock, to consult on our future, and to reaffirm our cohesion in a difficult period.

I believe Alliance solidarity today is stronger than at any time in the last decade. The steps we have taken in the energy field are a remarkable success. This is an important example of what can be done in other fields. Maintaining this solidarity is a first priority for me. At the same time, we in the Alliance do have problems and challenges. Close consultations among allies, I am convinced, offer the best avenue to meet these challenges.

EUROPEAN TRIP - SPAIN

Q: Mr. President, why are you going to Spain at a time when many observers believe that the Franco regime is in its waning days?

A: The United States regards Spain as a friendly European state with an important role to play in Europe and the Mediterranean and, of course, there are very friendly ties among the Spanish and American peoples. Based on the 1970 Friendship Agreement and last year's Declaration of Principles, our two governments have excellent cooperation in many fields -- agriculture, science and technology, education and defense. I look forward to discussing these matters with Spanish leaders and also to considering further improvements in US-Spanish relations in the future. We believe that Spain is an integral part of the West and must be brought closer to Western structures.

EUROPEAN TRIP - ITALY

Q: Mr. President, why are you going to Italy?

A: During his State Visit to Washington last year, President Leone invited me to visit Italy -- an invitation I have accepted with pleasure. We are especially concerned about developments in the Mediterranean. My trip to the NATO Summit also affords the welcome opportunity to travel to Italy to meet with President Leone and also to have further discussions on issues of common concern with Prime Minister Moro and other Italian leaders.

THE VATICAN

Q: Mr. President, why are you meeting with the Pope? Does this meeting foreshadow a new policy between the US and the Vatican -- the Catholic Church? What is the purpose of the meeting?

A: I am pleased that my visit to Italy will give me the opportunity to visit the Vatican City and to have an audience with His Holiness Pope Paul VI. I welcome this opportunity to discuss humanitarian issues with him and also to have the benefit of his views on problems of world peace. Our relations with the Vatican are excellent.

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 negotiations. Second, however, I would note that these negotiations 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.

DETENTE

Q: Mr. President, in light of recent events on the international scene, notably in Vietnam, Portugal and the Middle East, how do you see our relations with the Soviet Union developing? Are US-Soviet relations entering a cooling period?

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

On April 10, I observed that during this process, we have had no illusions. We know that we are dealing with a nation that reflect different principles and is our competitor in many parts of the globe. We will never permit detente to become a license to fish in troubled waters. Nor shall we overlook that Soviet arms were used in the conquest of Indochina.

Through a combination of firmness and flexibility, however, the United States has in recent years laid the basis of a more reliable relationship based on mutual interest and mutual restraint. Only last November, at Vladivostok, General Secretary Brezhnev and I

reaffirmed the determination of the United States and the Soviet Union to further develop our relations and to continue the search for peace. 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.

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.

US-GREEK BASES NEGOTIATIONS

Q: Mr. President, the second round in the US-Greek bases negotiations was held in Athens April 7-29. According to the joint communique issued at the close of the session, we agreed to Greek requests to close Athenai Air Force Base near Athens and terminate homeporting. How does this affect our security commitments in the Eastern Mediterranean?

A: Our current discussions with the Greek Government on bilateral defense issues are being conducted in a spirit of cooperation and cordiality reflecting our longstanding relationship with that country. We are satisfied with the steps being taken as a result of the second round of talks. They were mutually agreed upon and insure the continued viability and strength of security arrangements in the Eastern Mediterranean.

TURKISH MILITARY ASSISTANCE

Q: Mr. President, the Senate recently passed the Mansfield-Scott Bill which would restore U. S. military assistance to Turkey which was cut-off on February 5. Will this action enhance the ability of the United States to work effectively with the parties involved to reach a negotiated settlement of the Cyprus dispute at an early date?

A: I very much welcome the favorable Senate action on the Mansfield-Scott Bill. As I said in my April 10 address to the Congress, the effect of the Congressional action to terminate military aid to Turkey has been to impede rather than facilitate progress toward a Cyprus settlement. -- and is not in keeping with the mutual interests which the United States and Turkey share as friends and allies. Congressional approval of this legislation will rectify the current situation and will better enable us to work with Greece and Turkey to resolve the current differences. The recent Senate action on this bill is an important first step toward restoring a proper relationship with a longstanding friend and ally.

CYPRUS SITUATION

Q: Mr. President, talks between the two Cypriot communities were held in Vienna in April and are in recess until early June. In your view, have these talks increased the prospects of achieving a negotiated settlement of the Cyprus dispute at an early date?

A: In my opinion, the resumption of the intercommunal talks is a sign of progress. 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. We will continue to offer our good offices in the efforts by the parties directly involved to reach an equitable settlement. In this regard, I will be meeting in Brussels with the leaders of the Greek and Turkish governments to discuss matters of mutual interest -- including the Cyprus issue.

PORTUGUESE ELECTIONS

Q: Mr. President, have the results of the April 25 elections in Portugal changed your view on developments in that country?

A: The April 25 elections are, of course, an internal Portuguese matter. I will simply say that we welcome any and all steps toward representative government in Portugal. However, the situation in Portugal continues to raise questions for the United States in relation to our NATO policy and our policy toward Portugal. The elections did not change any of the existing political forces or the strong influence of the Communists in the government. With respect to NATO, this is an Alliance matter to be discussed with our allies, and we are in close consultations with them on 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 now over, what progress has been made to date toward reaching a treaty agreement?

A: Judging by the reports I have received, substantial progress was registered in a number of important areas at Geneva -- hard work remains to be done. The next session of the Conference is scheduled for early 1976. I would hope that all the nations represented will devote every effort to reaching accommodation on outstanding issues in the current international effort aimed at 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.

ENTRY OF VIETNAMESE REFUGEES TO THE U. S.

Q: All reports indicate that a very large number of Vietnamese refugees will be entering the United States. Most people seem to be opposed to this citing our current high level of unemployment as a rationale. What is your view and how do you think the influx of refugees will affect our domestic economy?

A: The basic character and nature of the American people is to open their arms to receive those who are the unfortunate victims of disaster or war.

Each year we allow several hundred thousand immigrants to enter the United States. After the Hungarian uprising we accepted 50,000 refugees. Over one-half million Cuban exiles came here between 1963 and 1972. I am confident that the American people will welcome the Vietnamese who are seeking refuge in our country.

As to the question on the economic implications of their settlement in the United States, the numbers involved are not large in terms of the American labor market. Many of the refugees are children and housewives who will remain at home, so that the number actually seeking employment will be only a small percentage of the total number of refugees entering the country. In addition, we are making an effort to avoid concentrated resettlement in any specific localities. The refugees will be resettled throughout the country except in specific areas with high unemployment levels.

RELATIONS WITH SOUTH VIETNAM AND CAMBODIA

Q: South Vietnam and Cambodia now have new governments that call themselves revolutionary and that claim to be independent. Would it not be to our advantage to recognize those governments in order to minimize North Vietnamese influence and to maintain some presence in Indochina?

A: It is premature to speculate at this time on future developments in Indochina or on possible U. S. attitudes toward those developments.

CHINA

Q: Can you clarify where the Administration stands on China policy?

A: It is a cardinal element of the Administration's foreign policy to seek the further normalization of relations with the People's Republic of China. The Shanghai Communique details the basic perspectives which the Administration brings to the normalization process. We remain committed to the Shanghai Communique.

Q: But in your news conference of May 6 you said you reaffirmed the American commitments to Taiwan. Isn't this inconsistent with your efforts to improve relations with Peking? Aren't you really pursuing a "two China" policy?

A: Again, I can only emphasize that the Shanghai Communique provides the basic direction of our overall China policy. In that document the U.S. looks forward to the peaceful resolution of the differences between Peking and Taipei.

DID WE PAY TOO MUCH FOR THE MAYAGUEZ RESCUE?

Q: There were American military personnel killed, wounded and some are still missing in action. Some have argued that this price was too high. How do you react to that?

A: It is, of course, impossible to know precisely in advance what the outcome of any military operation will be. I am deeply saddened by the casualties our forces sustained. However, it was my judgment that we had to act decisively to avoid paying a much higher price in the end. Our failure to respond to this illegal and blatant violation of our rights may well have encouraged other similar or even more serious actions against us in the future.



U.S. Position on Thai Protest Regarding the Mayaguez

Q: What are we doing about the Thai protests that we staged our Marines employed in the Mayaguez incident through Thailand without consulting Thailand in advance?

A: We sent the Royal Thai Government a formal diplomatic note on May 19 in which we expressed regret for any embarrassment that our actions in this instance may have caused the Royal Thai Government. The note has been accepted by Thai Foreign Minister Chatchai as an adequate response to the Thai protest. We now regard the matter closed.

U. S. ROLE IN LAOS

Q: What do you think our role in Laos should be? Are we continuing our aid program? Are we continuing to scale down the size of our mission in Laos?

A: We are watching the situation in Laos closely and will make our determinations as it evolves. As is normal in a changing situation such as this one, all our programs are under review.

We have been reducing our personnel in Laos in response to the current situation in the country.

WAS MILITARY ACTION NECESSARY TO RESCUE MAYAGUEZ?

Q: Some argue that the MAYAGUEZ incident could have been solved diplomatically. They say you just wanted to flex your muscles and prove to the world that the United States is still tough.

A: The record clearly shows that we tried the diplomatic approach without any response. I committed military forces because to delay action any longer would have further imperiled the crew, and it was necessary to act decisively to save them. My main concern throughout this entire exercise was to save our Americans and retrieve our merchant ship.

I am heartened that the vast majority of Americans seem to believe that my decisions were prudent and timely.

MBFR PROGRESS

Q: The MBFR negotiations have been going on for over a year now and appear to be stalemated. Is there any reason to think the talks will produce results? Could some reductions be made while the talks continue?

A: We have known from the start that these negotiations would be very complex and difficult, and that we should not expect quick results. The issues being addressed in the MBFR talks go to the very heart of the structure of European security and affect the vital interests of some 19 participating countries.

The talks have been serious so far and neither side has used them as a propaganda forum. If they continue in this spirit, meaningful results will eventually be achieved. We do not consider the talks to be stalemated.

There will be no US withdrawals while the talks continue. We have told our allies that we would maintain and improve our forces in Europe and not reduce them except in the context of MBFR. Unilateral reductions would undercut the Alliance position in the negotiations, jeopardize the security of the West and would not stimulate reductions on the Soviet side.

(FYI: The MBFR negotiations are currently in a recess until the first of June.)

SALT

Q: What is the status of the SALT negotiations? Are you still optimistic about conclusion of a new SALT agreement?

A: The formal SALT negotiations are currently in recess. They will be reconvening in Geneva next month.

We are making progress toward a new SALT agreement based on the outlines agreed at Vladivostok in December. There are a number of technical problems which remain to be resolved.

As you know, SALT was one of the topics which Secretary Kissinger discussed with Soviet Foreign Minister Gromyko during their meeting this week in Vienna. There was a thorough discussion of the outstanding issues.

SALT

Q: What are the issues which are holding up completion of a SALT agreement?

A: The unresolved issues are highly technical in nature and I do not think it would be practical for me to describe them. I will say, however, that some of them involve matters of verification.