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ISSUE: Italian Earthquake

Administration Position

In his message to the Congress following the May 6 earthquake in north-eastern Italy, the President stated:

"In the US-Italian Joint Statement of 1974, President Leone and I took note of the extraordinarily broad human ties between Italy and the United States of America, and the shared values and goals which bind together the Italian and American peoples. Now, at a time when natural disaster has brought such great tragedy to the people of Italy, Americans everywhere are moved to respond quickly and in the spirit of profound friendship between our countries.

"The request I have sent to the Congress for \$25 million in disaster relief assistance will enable us immediately to translate our concern into action to help alleviate the suffering in Italy."

Presidential Message to Congress
May 11, 1976

On June 1, 1976, in signing into law the measure providing \$25 million in relief assistance funds for Italy, the President stated:

"These disaster relief funds will give us the welcome chance to build on the assistance we have already been able to give. Almost from the moment the earthquake struck, United States Ambassador John Volpe and the United States military forces stationed in Italy were on the scene, making our initial assistance contribution.

"I know that all here join me in the profound hope that the funds and assistance programs made possible by this legislation will enable the people of Italy to rebuild their homes and their towns and to place this great tragedy behind them."

Presidential Remarks
June 1, 1976

Administration Actions

On May 7, the President sent a note of sympathy to President Leone of Italy offering U.S. assistance in Italian relief and reconstruction efforts.



On May 11, the President asked the Congress to provide \$25 million in disaster relief as part of the Second Supplemental Appropriations Bill for FY 1976.

At the same time, the President sent Vice President Rockefeller and AID Administrator Parker to Italy to receive a first-hand report on the impact of the earthquake and on the ways in which the United States could best be of assistance.

On May 13, the Vice President and Mr. Parker visited the disaster site where they were very warmly received by the Italian people. On May 17, the Vice President and Mr. Parker reported to the President on their mission.

On June 1, the President signed into law the measure providing \$25 million in disaster relief assistance for Italy.

AID technical teams remain in the field working with the Italian authorities on plans to implement the U.S. assistance program. The number of people living in tents have been reduced from 70,000 to about 42,000. It is anticipated that by the onset of winter, all displaced earthquake victims will be satisfactorily housed. The U.S. is devoting priority attention, at the request of the Italian government, to the reconstruction of schools and homes for the aged.

NSC
8/9/76



ISSUE: U. S. -Japan Civil Aviation

Administration Position

U. S. airlines earn over \$300 million annually from services between Japan and the U. S. Since 1971 more Japanese than Americans will travel between the U. S. and Japan. Japan is mounting a major campaign to amend the agreement to provide Japan Airlines the right to serve all U. S. states which have U. S. -Japan service by U. S. airlines.

We are obliged to hold consultations with Japan prior to May 1977 to determine whether the balance of benefits under the Bilateral Civil Air Transport Agreement requires us to grant additional airline rights to Japan. The established U. S. scheduled airlines -- Northwest, Pan American, and Flying Tigers -- are strongly opposed to giving Japan new airline routes. The first formal negotiations took place in October in Tokyo.

NSC
9/3/76



ISSUE: Japan - General

Administration Position

"The second basic premise of a new Pacific doctrine is that the partnership with Japan is a pillar of our strategy. There is no relationship to which I have devoted more attention nor is there any greater success story in the history of American efforts to relate to distant cultures and to people."

President Ford's speech at the East-West Center, University of Hawaii, December 7, 1975

"No relationship is more important to the U. S. than our alliance with Japan. Mutual security remains fundamental to our collaboration but in a new era we have extended our partnership to a broad range of common interest -- easing tensions in Asia, solving regional and global problems, and combining our vast economic strengths to spur stable and non-inflationary world economic growth."

Speech by Secretary Kissinger, Seattle, Washington, July 22, 1976

"Our relations with Japan have never been better. I was the first United States President to visit Japan. And we had the Emperor of Japan here this past year. And the net result is Japan and the United States are working more closely together now than at any time in the history of our relationship."

Debate between President Ford and Governor Carter, October 6, 1976

Administration Actions

President Ford has met with Japanese political leaders five times in the past two years. In addition to meeting with Prime Minister Miki, Prime Minister Trudeau, and several European leaders at the Puerto Rico conference in late June, President Ford saw Prime Minister Miki separately in Washington June 30. These meetings reflect the Ford Administration policy of frequent consultations between the U. S. and Japan.

NSC
10/15/76



ISSUE: Japan - The Lockheed Case

Administration Position

Exposure of large, high-level bribery payments in Japan by the Lockheed Corporation created a major political crisis in Japan and posed the question of how to handle the exchange of evidence in the case. Opposition parties sought to prove that the U.S. Government was not cooperating in the Japanese investigation. However, both governments worked out a mutually agreeable arrangement which has not only provided a satisfactory basis for the exchange of information but also has essentially removed the issue as a bilateral problem..

In response to a letter from Prime Minister Miki asking for U. S. Government cooperation in the Lockheed investigations in Japan, President Ford in early March proposed arrangements which have provided Japanese law enforcement officials full access on a confidential basis to information developed in the Lockheed investigations by the SEC, the Justice Department, and the Senate Subcommittee. The arrangement, which protects all legitimate interests, has led to the arrest of former Prime Minister Tanaka but in a way which has focused attention on developments within Japan rather than on U. S. -Japan relations.

NSC
9/3/76

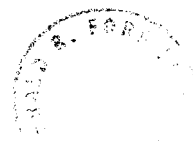


ISSUE: Japan Defense Cooperation

Administration Position

During their August 1975 talks in Washington, Prime Minister Miki and President Ford agreed to further enhance U. S. -Japan defense cooperation. The U. S. and Japan on July 8 established a subcommittee on defense cooperation under the existing Security Consultative Committee. The new organization promises to enhance the ability of the Government of Japan to discuss coordinated contingency and operational planning. Meanwhile, there has been a growing Japanese public appreciation of Tokyo's defense needs. The opposition parties in Japan, with the exception of the Communist Party, have begun to moderate their criticism of the U. S. -Japan Mutual Security Treaty.

NSC
9/3/76



ISSUE: Japan - Trade Deficit and Yen Question

Administration Position

Our 1976 Bilateral trade deficit with Japan stood at about \$2.2 billion at the end of July, as opposed to about \$1.1 billion for all of 1975. The total deficit for the year will probably exceed \$4 billion. The size of the deficit is largely a function of the current strength of the U. S. economic recovery compared to that of Japan. Japanese imports have not been picking up as fast as expected this year.

The relatively low value of the Japanese yen has contributed to the large Japanese trade surplus. In response to Western criticism that Japan has intervened in the foreign exchange market to keep down the value of the yen, Japanese officials have insisted that they have intervened only to avoid sharp fluctuation. Administration officials have stressed to the Japanese that in order for the international monetary system to function effectively, countries with strong balance of payments positions should make adjustments to avoid accumulating excessive reserves. Since mid-June, the Japanese yen has appreciated approximately 4 percent.

NSC
9/3/76



ISSUE: Japan - 200 Mile Fishery Zone

Administration Position

The recently enacted 200 mile U. S. fishery zone creates serious problems for Japan. The Japanese Government estimates that the new law will directly affect about 20 percent of Japan's total worldwide catch -- a drastic blow to a country which depends heavily on fisheries products for its food needs. The Fishery Conservation and Management Act of 1976 requires that all international fishery agreements concluded after June 1, 1976 be made to conform with the Act. Japan has said it will not recognize exclusive U. S. jurisdiction implicit in certain requirements of the Act until there is agreement at the LOS Conference. The first round of U. S. -Japanese negotiations on a few fisheries agreement was held in Washington August 18-30. The atmosphere of the talks was positive but there was no progress on the basic issues. The second round of talks will be in Tokyo in November.

NSC
9/3/76


ISSUE: Japan -- Bilateral Trade Problems

Administration Position

Japan is our second largest trading partner after Canada. Bilateral trade relations are at this time free of highly rancorous issues. But the magnitude of our commerce makes trade problems a subject of continuous conversation between our governments. On our side, we continue to seek liberation of Japanese restrictions on a wide variety of American agricultural products.

During the past year there were numerous complaints brought against Japanese exports under the Trade Act of 1974. Recently the Treasury decided to discontinue its automobile dumping investigation and in all but one instance the Administration rejected ITC recommendations adversely affecting Japan. The exception was specialty steel. Japan alone among the specialty steel exporters affected responded positively to the President's call for negotiation of orderly marketing arrangements to limit specialty steel imports. The two governments on June 11 signed a three-year agreement limiting imports of Japanese specialty steel to the average of the 1971-1975 period. Currently, the ITC is investigating alleged predatory pricing schemes on the part of Japanese television manufacturers.

NSC
9/3/76



ISSUE: Korea

Administration Position:

In his December 7, 1975 Pacific Doctrine speech in Honolulu, the President said:

"We have close ties with the Republic of Korea, and we remain committed to peace and security on the Korean Peninsula as the presence of our forces there attests. Responding to the heightened tension last spring, we reaffirmed our support of the Republic of Korea."

Presidential Documents
Vol. 11, No. 50, p. 1357

Administration Action:

On May 27 Defense Secretary Rumsfeld attended the annual U. S. - Republic of Korea Security Consultative Meeting held in Honolulu. The joint communique issued at the end of the meeting strongly reiterated the U. S. commitment to maintaining peace and stability in Korea.

Human Rights:

"The Korean human rights situation is an important element in our policy considerations. We have made clear that we are not happy over what has happened recently in South Korea. We have strongly and unequivocally made known our views to the Korean government, both in public and through diplomatic channels, and we have stressed to them the unfavorable impact of their actions within the U. S. It should be noted, however, that our basic security relationship with the Republic of Korea is not an issue between President Park and his domestic critics."

Statement by Assistant Secretary of State
for East Asian Affairs, Philip Habib,
April 8, 1976

United Nations Command: The United States and the Republic of Korea have proposed the termination of the United Nations Command in Korea provided there are arrangements to continue the Armistice Agreements.

Proposed Conference on Korea: The United States has proposed a conference, including the Republic of Korea, North Korea, the United States, and the Peoples Republic of China to discuss the termination of the U. N. Command while preserving the Armistice Agreement. In

that context, we are willing to consider other measures to reduce tensions, including a wider conference to negotiate more fundamental arrangements for peace in Korea.

North Korean Proposals: North Korea has proposed talks between itself and the United States, leading to the conclusion of a peace treaty that would replace the Korean Armistice. The United States will not, however, acquiesce in any proposals which would exclude the Republic of Korea from discussions about its future. The United States has publicly indicated its willingness to reciprocate moves by North Korea and its allies to improve their relations with the Republic of Korea.

U. N. Membership: In support of an improved dialogue between North and South Korea, we have suggested dual entry of both Koreas into the United Nations without prejudice to their eventual reunification. North Korea has refused membership on this basis, and its supporters have blocked consideration of the application for membership in the U. N. of the Republic of Korea.

Military Assistance: Our military assistance programs for the Republic of Korea have changed as the Korean government has been able to increasingly bear the economic cost of its own defense. Since 1971 our security assistance has been primarily tied to the implementation of a \$1.5 billion five-year Korean Modernization Plan (MOD). We will complete our commitment to this plan in FY 1977.

The Republic of Korea has now developed and launched a new five-year 1976-1980 Force Improvement Plan (FIP) which, unlike the MOD plan, will be fundamentally a Korean effort. After FY 1976 the United States will provide no further grant materiel assistance. The U. S. Government expects, however, to continue to request significant levels of FMS guaranteed loans in support of the objectives of the FIP.

U. S. Forces: U. S. forces in the ROK number approximately 42,000. This force level is based on a U. S. Government decision that our military presence is essential to peace on the Korean Peninsula, and consequently serves U. S. national interests.

NSC
6/18/76

ISSUE: Korea - August 18 Incident

Administration Position

"The President condemns the vicious and unprovoked murder of two American officers last night in the demilitarized zone near Panmunjom in Korea.

These officers were peacefully supervising a work detail in the neutral zone when they were subjected to a brutal and cowardly attack totally without warning.

Total responsibility for the consequences of these murders rests with the North Korean Government. "

Statement by the Press Secretary

Administration Actions

The continuing tensions that exist in the Korean Peninsula were manifest in the brutal murder on August 18 of two American officers at Panmunjom. This provocation required an immediate and strong response. The Administration moved to augment temporarily U. S. military forces in Korea with additional F-4 aircraft and a unit of F-111s. In addition, a carrier task force was deployed into the area and B-52 flights over South Korea commenced. Following the message of August 24 from Kim Il Song terming the incident "regrettable," we insisted on receiving assurances for the safety of our personnel at Panmunjom. North Korea subsequently put forward an old proposal of our side to separate security personnel of the two sides in Panmunjom. Such a plan has been implemented, reducing the danger of future incidents.

Most recently, North Korea withdrew its hostile resolution on the Korean question in the U. N. This retreat reflected in part negative world reaction to the August 18 incident.

NSC
9/28/76

ISSUE: Korea - Human Rights

Administration Position

"... we will continue to remind the South Korea Government that responsiveness to the popular will and social justice are essential if subversion and external challenge are to be resisted. But we shall not forget that our alliance with South Korea is designed to meet an external threat which affects our own security and that of Japan as well."

Secretary Kissinger
Seattle, July 22, 1976

"Let me take South Korea as an example. I have personally told President Park that the United States does not condone the kind of repressive measures that he has taken in that country. But, I think in all fairness and equity we have to recognize the problem that South Korea has.

On the north they have North Korea with 500,000 well-trained, well-equipped troops. They are supported by the People's Republic of China. They are supported by the Soviet Union. South Korea faces a very delicate situation.

Now, the United States in this case, this Administration, has recommended a year ago -- and we have reiterated it again this year -- that the United States, South Korea, North Korea, and the People's Republic of China sit down at a conference table to resolve the problems of the Korean Peninsula. This is a leadership role that the United States, under this Administration, is carrying out.

If we do it -- and I think the opportunities and the possibilities are getting better -- we will have solved many of the internal domestic problems that exist in South Korea at the present time.

Debate between President Ford and
Governor Carter, October 6, 1976

Administration Actions

This Administration is concerned about human rights issues throughout the world.

As the President said in his Honolulu December 7, 1976 speech, popular legitimacy and social justice are vital prerequisites of resistance against subversion or aggression. We have unequivocally made known

our views on this issue to the Korean Government, both in public and through diplomatic channels. At the same time, we have an inescapable role in keeping the peace in Korea and peace in Korea is critically important to our national security as well as that of Japan. We should keep in mind that our security relationship with the ROK is not an issue between President Park and his domestic critics and that our ability to nurture democratic practices in other societies is obviously limited.

NSC
10/15/76

Administration Position

"We have close ties with the Republic of Korea, and we remain committed to peace and security on the Korean Peninsula, as the presence of our forces there attests. Responding to the heightened tension last spring, we reaffirmed our support of the Republic of Korea."

President Ford's speech at the
East-West Center, University of
Hawaii, December 7, 1975

"Americans fought and died to preserve South Korea's independence. Our experience and our sacrifice define our stake in the preservation of this hard-won stability; treaty obligations of mutual defense define our legal obligations. Our support and assistance will be available where they have been promised. In fulfilling our commitments we will look to South Korea to assume the primary responsibility for its own defense, especially in manpower. And we will continue to remind the South Korean Government that responsiveness to the popular will and social justice are essential if subversion and external challenge are to be resisted. But we shall not forget that our alliance with South Korea is designed to meet an external threat which affects our own security, and that of Japan as well.

Secretary Kissinger
Seattle, July 22, 1976

Administration Actions

Troop Withdrawals: The size and makeup of our forces in the ROK is not immutable, but we have no plans at present for significant reduction. Since the Korean War our policy has been to prevent the renewal of hostilities in Korea which continues to be one of the world's most dangerous flash points. Our security ties and our military presence in Korea have succeeded in doing just that over the past 23 years. Currently, there are approximately 42,000 American military personnel in Korea, including one Army Division and one Air Wing.

August 18 Incident: The brutal murder on August 18 of two American officers at Panmunjom required an immediate and strong response. The Administration moved to augment temporarily U. S. military forces in

Korea with additional F-4 aircraft and a unit of F-111s. In addition, a carrier task force was deployed into the area and B-52 flights over South Korea commenced. Following the message of August 24 from Kim Il Song terming the incident "regrettable", we insisted on receiving assurances for the safety of our personnel at Panmunjom. There may be less danger of future incidents at Panmunjom if we are able to conclude present discussions about separating security personnel of the two sides in that area.

United Nations Command: The U. S. and the ROK are willing to terminate the United Nations Command in Korea provided that we are first assured the Armistice Agreement will remain in effect or be replaced by a more permanent arrangement. Secretary Kissinger proposed in 1975 and again on July 22, 1976 that we convene a conference between "the parties most immediately concerned" (North Korea, China, South Korea, and the U. S.) to discuss ways to preserve the Armistice Agreement and to reduce tension in Korea. He said we were willing to begin immediate discussion on issues of procedure and site. North Korea continues to reject our proposal.

NSC
9/3/76



ISSUE: Korea-Japan Civil Aviation

Administration Position

U. S. airlines earn over \$300 million annually from services between Japan and the U. S. Since 1971 more Japanese than Americans will travel between the U. S. and Japan. Japan is mounting a major campaign to amend the agreement to provide Japan Airlines the right to serve all U. S. states which have U. S. -Japan service by U. S. airlines.

We are obliged to hold consultations with Japan prior to May 1977 to determine whether the balance of benefits under the Bilateral Civil Air Transport Agreement requires us to grant additional airline rights to Japan. Two preliminary meetings have already taken place, and further talks are set before the end of the year. The established U. S. scheduled airlines -- Northwest, Pan American, and Flying Tigers -- are strongly opposed to giving Japan new airline routes.

NSC
9/3/76



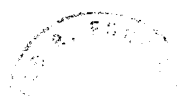
ISSUE: Korea - Negotiations with North Korea

Administration Position

The United States is not prepared to meet with North Korea in a forum which excludes South Korea from discussions affecting its security and well-being. Exclusion of South Korea from such talks would play into the hands of the North Koreans who seek to undermine the legitimacy of the ROK despite the fact that it is one of the major nations of East Asia and represents more than two-thirds of the Korean people.

Pending the unification of Korea, we favor the admission of both North and South Korea to the United Nations, and if North Korea's allies and supporters were willing to normalize relations with South Korea, we would be prepared to reciprocate. North Korea, however, opposes U. N. membership for South Korea and, while seeking recognition from as many states as possible, works actively to prevent better relations between South Korea and the Communist powers.

NSC
9/3/76



ISSUE: Latin American Policy

Administration Position

As a result of the attention which the Administration has been giving Latin American affairs, the United States now has a policy that is understood and respected throughout the hemisphere. We have reasserted a role of leadership recognized by the other countries of Latin America and the Caribbean. The acceptance of the basic statements of US policy delivered by Secretary Kissinger during his Latin American trips in February and again in June of this year has been widespread. The trips marked a level of close relations between us and the other nations of the hemisphere which has not been achieved in recent years.

Secretary Kissinger listed the six points which form the basis of our Latin American policy:

- to take special cognizance of the distinctive requirements of the more industrialized economies of Latin America in matters of trade, finance, commodity exchange, and transfer of technology;
- to maintain direct assistance to the neediest nations of this hemisphere still oppressed by poverty and natural disaster;
- to support Latin American regional and subregional efforts to organize for cooperation and integration;
- to negotiate on the basis of parity and dignity our specific differences with the other states, both bilaterally and, where appropriate, multilaterally;
- to enforce our commitment to mutual security . . . and regional integrity against those who would seek to undermine solidarity, threaten independence, or export violence;
- to work to modernize the Inter-American system to respond to the needs of our times and to give direction to our common actions.

In the areas of greatest importance to Latin Americans -- human rights, cooperation for development, and reform of the OAS -- the United States has developed clear policies which generated wide support at the OAS meeting last June. On human rights, Secretary Kissinger said that while "no government can ignore terrorism and survive . . . it is equally true that a government that tramples on the rights of its citizens denies the purpose of its existence." "Respect for dignity of man is declining in too many countries in the hemisphere." He called for increased support for the institutions which the international community has created to protect human rights and, in particular, for the Inter-American Commission on Human Rights of the OAS. He also supported strengthening the inter-American system and taking measures to guard against terrorism, kidnapping, and other forms of violent threat to the human personality. The protection of human rights "is an obligation assumed by all the nations of the Americas as part of their participation in the hemispheric system."

On cooperation for development, the Secretary of State made a number of proposals to increase trade among nations of the hemisphere and to speed up the transfer of technology to the developing nations. With regard to reform of the OAS, he put forward suggestions aimed at streamlining and modernizing the Organization to make it more responsive to today's needs and to restrict the sometimes sterile debates of the past.

Administration Actions

The President has shown great interest in Latin American affairs from the first day he took office when he met with the ambassadors of the countries of Latin America and the Caribbean at the White House. His first visit as President with a foreign chief of state outside this country was shortly thereafter when he visited on the Mexican side of the border with President Echeverria. The President continued his active participation in Latin American affairs, receiving two chiefs of state from the hemisphere in Washington and taking firm positions on a number of Latin American issues, particularly those relating to Cuba and the Panama Canal negotiations.

Secretary Kissinger has visited Latin America four times while Secretary of State. He is known and highly regarded by leaders of the hemisphere and has made over a dozen speeches of importance concerning our relations with the area.

We continue to maintain bilateral assistance programs to a number of the less-developed Latin American nations and contribute importantly to the Inter-American Development Bank and other multinational financial institutions that provide development assistance to the nations of this hemisphere. The attention which the Administration has given to its Latin American policy has resulted in wide recognition by the nations of the hemisphere of our commitment to improving and revitalizing our relations with them.

NSC 7/14/76

Administration Position

In his address to a Joint Session of the Congress on April 10, 1975, the President, reviewing current and future foreign policy issues, said: "But ahead of us also is a vast new agenda of issues in an interdependent world. The United States -- with its economic power, its technology, its zest for new horizons -- is the acknowledged world leader in dealing with many of these challenges. If this is a moment of uncertainty in the world, it is even more a moment of rare opportunity . . . 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. "

Presidential Documents
Vol. 11, No. 15, p. 368

In signing H. R. 200 ("Fisheries Management and Conservation Act of 1976") on April 13, 1976, the President released a statement noting that the bill's delayed implementation date (March 1, 1977) will allow further work toward agreement on this and other oceans policy matters in the ongoing Law of the Sea Conference, and adding that the relatively slow pace of the Conference mandated immediate unilateral action by the United States to protect our dwindling fisheries resources from foreign overfishing.

The major elements of U.S. oceans policy include:

Territorial seas and straits: The U.S. is prepared to accept an increase from 3 to 12 miles in the permissible breadth of the territorial seas as a part of a comprehensive law of the sea agreement only if such agreement guarantees the right of free transit through, over and under straits used for international navigation that would be overlapped by the territorial sea extension.

200-mile economic zone: The U.S. generally supports the conference consensus for a 200-mile economic zone, in which the coastal State would have exclusive rights to explore and exploit the living and non-living resources. In the zone, the coastal State would also have the duty to enforce international pollution standards, to ensure noninterference with other uses of the ocean (such as navigation and scientific research) and to resort to binding dispute settlement mechanisms.

Fisheries: Broad support exists to confer upon coastal States management authority over coastal species and anadromous fish (e.g., salmon). However, the U.S. position is to leave the management of highly migratory

species (e. g. , tuna), to international or regional bodies. The authority delegated to the coastal States would be subject to international standards to ensure conservation and full utilization, including an obligation to permit foreign fishing for that portion of the allowable catch which a coastal State could not itself harvest. The President favors movement toward coastal state jurisdiction over a 200-mile offshore economic zone within the context of an agreement reached in the UN Law of the Sea Conference.

International seabed area: The UN General Assembly has proposed that the oceans beyond the limits of national jurisdiction should be the "common heritage of mankind." To implement this principle, the U. S. supports the creation of an international organization to set rules for deep seabed mining and participate itself in mining operations financed by the international community. This international organization would preserve the rights of all countries and their citizens directly to exploit deep seabed resources. Countries or their mining firms would pay an agreed portion of their revenues to the international organization, to be used primarily for the benefit of developing countries. The management of the organization and its voting procedures would have to reflect and balance the interests of the participating states, particularly on such matters as prices, production rates and commodity agreements.

Marine pollution: The U. S. supports treaty articles establishing a legal framework for the prevention of pollution of the marine environment. In the areas beyond the territorial sea, the treaty should establish uniform international controls on pollution from ships, and environmental standards for continental shelf and deep seabed exploitation.

Scientific research: The U. S. favors the encouragement of marine scientific research for the benefit of all mankind. Our proposals are designed to ensure maximum freedom of marine research and to provide for access to the results of such research by the coastal States involved.

Administration Action

The Third UN Conference on the Law of the Sea began in 1973 with an organizational session in New York, which was followed by two substantive sessions in Caracas (June-August 1974) and in Geneva (March-May 1975). The main accomplishment of the 1975 Geneva session was the drafting of an informal single negotiating text on the subjects before the conference.

A third substantive session was held in New York (March-May 1976) which produced a revised single negotiating text that is more favorable to U. S. interests than the Geneva text. The U. S. negotiating position was strengthened when at the President's request Secretary of State Kissinger delivered an April 8, 1976 address which reaffirmed our basic interests and made a number of proposals related to marine scientific research and the regime for deep seabed mining.

A fourth substantive session was held during August-September 1976 in New York. Secretary of State Kissinger attended the Conference on August 13 and on September 1-2 as head of the U. S. Delegation. Progress was not made during this session but Conference leaders decided to call another and hopefully final session for May 1977 in New York.

The major unresolved issues of the Law of the Sea Conference are:

- The degree of control that a coastal State can exercise in an offshore economic zone -- particularly with respect to freedom of navigation, highly migratory fisheries, protection of the marine environment, conduct of scientific research, and the rights of neighboring landlocked and geographically disadvantaged states.
- The nature of the international regime for the exploitation of deep seabed resources; the entities that should exploit these resources and the system for that exploitation; the powers and the voting procedures in the international authority; and the source, level and distribution of revenues from deep seabed mining.

The United States will continue to devote its full efforts to working with the other participants toward timely international agreement.

NSC
9/28/76



ISSUE: Situation in Lebanon

Administration Position:

"The United States will continue its role of a peacemaker in Lebanon. We will continue our role as a party to try and achieve the long-sought peace and security in the Middle East." [June 20, 1976, comments following US evacuation]

Administration Actions:

Since the very outset of the crisis, the United States has been active in trying to help end the fighting and encourage a political solution and we have also been providing much-needed humanitarian assistance to those affected by the tragic fighting. We believe that the inauguration of President Sarkis offers fresh hope for progress towards a settlement and the US will continue to render all appropriate assistance to encourage this.

Our policy in the complex Lebanon crisis has been consistent since the outset of the tragic events there: (1) Lebanon is a friend of long-standing whose independence, territorial integrity and national unity we strongly support. We are opposed to partition or de facto partition as a solution to the Lebanese crisis. (2) Lebanon, as a friend, deserves our assistance in its hour of need. At the same time, Lebanon's problems involve their internal affairs which cannot be resolved by outsiders. Ultimately, the Lebanese themselves will have to agree on a solution. (3) The conflict in Lebanon must not be allowed to touch off a broader conflagration in the volatile Middle East area. We have taken major efforts to help avoid this.

The US has undertaken a number of useful actions, both unilaterally and in concert with others:

--The US has been active diplomatically with a number of interested governments and various Lebanese parties to discourage any broadening of the conflict. Our approaches have minimized the chances that this would occur, particularly earlier this year when the risk was quite high.

--The US has remained in close touch with interested governments, the United Nations and the Lebanese parties to encourage progress

towards a negotiated settlement. We have not been deterred in this by the brutal murder of our diplomats or the breakdown in normal communications within Lebanon. We have sent special envoys when this was needed to ensure an adequate exchange of views.

--The US has ~~let~~ maximum encouragement to the efforts by interested parties to find a political settlement, including suggestions for a round-table conference in which the parties would sit down and try to resolve their differences.

--The US has been providing humanitarian relief assistance, already amounting to more than \$10 million in hospital and other medical equipment and supplies and foodstuffs distributed as fairly as possible on both sides of the lines. We are exploring ways of increasing our assistance. Also, the President requested the Congress and it has now approved \$20 million in special relief funds for Lebanon.

The United States will continue to be active diplomatically to encourage a settlement based on Lebanon's independence, territorial integrity and national unity which we strongly support. We will work closely with the new Lebanese government and President Sarkis towards this objective.

NSC
9/29/76

[Attached: State Department release on the inauguration of President Sarkis of Lebanon.]

ISSUE: The GAO Report on the Mayaguez Affair

Administration Position

"I was very disappointed in the fact that the GAO released that report because I think it interjected political partisan politics at the present time.

"But let me comment on the report. Somebody who sits in Washington, D. C. , 18 months after the MAYAGUEZ incident can be a very good grandstand quarterback.

"And let me make another observation: This morning I got a call from the skipper of the MAYAGUEZ. He was furious because he told me that it was the action of me, President Ford, that saved the lives of the crew of the MAYAGUEZ. And I can assure you that if we had not taken the strong and forceful action that we did, we would have been criticized very, very severely for sitting back and not moving.

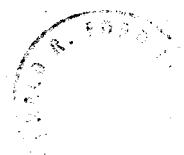
"Captain Miller is thankful, the crew is thankful. We did the right thing. It seems to me that those who sit in Washington 18 months after the incident are not the best judges of the decision-making process that had to be made by the National Security Council and by myself at the time the incident was developing in the Pacific.

"Let me assure you that we made every possible overture to the People's Republic of China and, through them to the Cambodian Government, we made diplomatic protest to the Cambodian Government through the United Nations.

"Every possible diplomatic means was utilized, but at the same time I had a responsibility, and so did the National Security Council, to meet the problem at hand, and we handled it responsibly and I think Captain Miller's testimony to that effect is the best evidence."

President Ford's Remarks at
Ford-Carter Debate, October 6, 1976
San Francisco

NSC
10/18/76



ISSUE: MIA's in Southeast Asia and UN Membership for Vietnam

Administration Position

"Let me assure you we are employing every effective means to account for your loved ones. Let me assure you without any hesitation or reservation that I will continue that effort You have not been abandoned. I promise you I will not rest until the fullest possible accounting of your loved ones has been made."

President Ford's Remarks to the
National League of MIA/POW Families
Washington, D. C.
July 24, 1976

"Let me restate our policy. As long as Vietnam, North Vietnam, does not give us a full and complete accounting of our missing in action, I will never go along with the admission of Vietnam to the United Nations. If they do give us a bona fide, complete accounting of the 800 MIA's, then I believe that the United States should begin negotiations for the admission of Vietnam to the United Nations, but not until they have given us the full accounting of our MIA's.

President Ford's Remarks at
Ford-Carter Debate
October 6, 1976
San Francisco

Administration Actions

There are a large number of American servicemen who have not been accounted for in Southeast Asia. There are still 875 men listed as missing in action and an additional 1529 whose bodies have not been recovered.

We raised the issue at the United Nations. In 1974 the UN General Assembly adopted a resolution based on our proposal calling on all parties to armed conflicts to provide information on prisoners, facilitate an accounting for the missing, and repatriate the remains of those killed.

The President discussed this issue with the Chinese leadership during his visit to Peking in November 1975. At that time, the Chinese provided

information to the President on the fate of 24 Americans who had died on the territory of the PRC or in its territorial waters.

President Ford declared January 21, 1976 a National Day of Prayer for Servicemen Missing in Southeast Asia, and January 27, 1975 as National MIA Awareness Day.

The President has cooperated fully with the House of Representatives Select Committee on MIA's. In response to requests from that Committee and other members of the Congress, the North Vietnamese have returned the remains of five U.S. servicemen.

In late March 1976 the President approved the State Department's sending a note to the North Vietnamese in Paris offering to discuss the MIA problem along with other issues. The State Department is continuing this dialogue.

NSC
10/18/76

ISSUE: The Middle East

Administration Position

President Ford stated on November 5, 1975:

" . . . stagnation and stalemate (in the negotiations) over the long pull or over a long period of time will heighten the prospects for additional conflict . . . there has to be a broader settlement that would fall within the guidelines of the UN Resolutions 242 and 338 . . . it is essential that continuous progress be made . . . "

Presidential Documents
Vol. 11, No. 45, p. 1247

The President's policy in the Middle East is to take advantage of what is now an historic opportunity to help the area move to a secure, just and comprehensive peace settlement. So long as this conflict remains unsolved, it poses the constant danger to us of renewed war, international crisis and economic disruption, strains in our major alliances and nuclear confrontation with the Soviet Union. These are intolerable dangers. Because the United States is in a unique position of trust with all the parties, we have -- at their request -- been engaged for the last two years in a peacemaking effort without precedent in three decades. The President is determined that this effort continue until the achievement of a negotiated peace as foreseen by the UN Security Council Resolutions 242 and 338.

Administration Actions

Since the October 1973 war, significant steps have been taken. Security Council Resolution 338 -- which reaffirmed Resolution 242 -- began a negotiating process between the parties, and set up the first Geneva Conference. Agreements to disengage military forces and establish UN buffer zones to strengthen the ceasefire were successfully negotiated between Egypt and Israel in January 1974 and Syria and Israel in May 1974. Major Arab countries that broke diplomatic relations with the US in 1967 moved in 1973 and 1974 to restore their ties with us; our traditional ties with Israel have been reinforced in crisis and in the long months of close association in negotiations. The Suez Canal was reopened in June 1975.

In the Spring of 1975, President Ford had an intensive series of meetings with Egyptian President Sadat, Israeli Prime Minister Rabin, Jordan's King Hussein, Syrian Deputy Prime Minister Khaddam, and other important leaders in the area, to advance the negotiating process. He consulted widely with Congressional leaders throughout the period, and with concerned civic leaders and experts.

In September 1975, a second, interim agreement was reached between Egypt and Israel. This agreement reaffirms and strengthens the cease-fire, and widens the buffer zone. It publicly commits both sides to settle the Middle East conflict by peaceful means and to refrain from use or threat of force or military blockade, and permits non-military Israeli cargoes to use the Suez Canal. This is the first agreement between Israel and an Arab country that was not simply to halt fighting or disentangle military forces. Both President Sadat and Prime Minister Rabin have hailed it as a possible turning point in Middle East history.

This agreement will help establish a climate of confidence that will make further peace efforts possible. Any stagnation of the negotiating effort poses intolerable risks to the interests of the United States -- economic, political and security -- and to world peace. The President is determined to move forward until the achievement of a final, just and durable peace.

President Ford submitted the recent Egyptian-Israeli agreement, including the provision for stationing of 200 American technicians to monitor the surveillance of the ceasefire, to the Congress for its scrutiny and won Congressional approval. He has submitted foreign assistance requests to the Congress, including assistance to Israel and moderate Arab states, to strengthen their ties with us and their survival against extremist pressures which seek to undermine the process of peace. Our relationship with Israel is traditional since its founding. We will maintain, as we have for decades, military supply programs commensurate with Israel's defense needs and our commitments to her survival and security. At the same time, American support will be requested to help nations in the moderate Arab world who are our friends and supporters of the peace process.

President Ford intends to maintain our peace effort, to prevent the momentum of events in that volatile region from rushing again towards war. This effort serves important American interests, the interest of world peace, our moral commitments in the area and the desire of the American people to see the specter of war and dislocation banished from the Middle East.

NSC
1-9-76

ISSUE: Multi-National Corporations/Foreign Payments

Administration Position

In President Ford's March 17, 1976 message to Congress, he stated:

"Multinational corporations (MNC's) continue to be a highly visible and controversial factor in international affairs. MNC's have made major contributions to world economic development and will continue to do so in the future. While the major portion of foreign investment by multinational corporations is concentrated in industrial nations, many developing countries actively seek investments by MNC's, recognizing their potential contribution to economic development. Recognizing the generally positive impact of MNC's on world trade and production, I am distressed by reports of corrupt practices by some companies. For that reason, I have directed that members of my Administration undertake efforts, both domestically and internationally, to assure that multinational corporations obey the laws and conform with the public policies of the countries in which they do business.

"We are participating in the development of an international code to provide guidelines for responsible corporate behavior. The Organization for Economic Cooperation and Development has made substantial progress toward drafting a code, and similar efforts will be undertaken in the United Nations and the Organization of American States in 1976. It is highly important that such codes of conduct provide that both multinational corporations and host governments share the responsibility for eliminating abuses."

Presidential Documents

Administration Actions

Secretary of State Kissinger has established an Interagency Committee on International Corporations chaired by the State Department which is currently responsible for clarifying the US position for discussion in the Organization of Economic Cooperation and Development on guidelines for multinational enterprises and government responsible to these enterprises. The Committee will also develop a position for negotiations in the United Nations and OAS on a code covering multinational corporations and trade ethics. (FYI: Opposition by certain countries in each organization may water down or eliminate clauses on bribery and solicitation for payment.)

ISSUE: Mutual and Balanced Force Reduction TalksAdministration Position:

Since October of 1973, the US and its NATO allies have been engaged in negotiations with the Warsaw Pact over the possible reduction of military forces in the area of Central Europe. Through MBFR we and our allies have sought to reduce the risk of war and achieve a more stable military balance in Central Europe. The President clearly stated our objectives in these negotiations in a speech to the World Affairs Council in Portland, Oregon, in May of this year:

This is the only place where American and Russian ground forces are positioned literally eyeball-to-eyeball and thus involves the danger of triggering a direct confrontation.

The issues are very complex in these mutual and balanced reductions of forces talks and involve our allies in NATO and the members of the Warsaw Pact. Progress has been slow, but we intend to continue them because agreement would enhance military stability in Western and Eastern Europe at lower force levels.

The Warsaw Pact countries currently have a significantly greater number of ground forces in Central Europe than does NATO. We and our allies see this existing disparity, along with a substantial Pact advantage in tanks, as potentially the most destabilizing factors in Central Europe. For this reason we believe that the best way to achieve a more stable military balance in the area is to reduce these disparities. Together with our NATO allies, we have proposed that the military manpower on both sides be reduced to a common level and that a ceiling be put on the military manpower of both sides at this reduced level. As a first step toward this manpower common ceiling, the US and the Soviets would agree to the reduction of a Soviet tank army in exchange for a reduction of a proportionate number of US soldiers. This proposal formed the basis of the NATO negotiating position for the first two years of the discussions.

Administration Actions:

-- After extensive internal review, the Administration made a major initiative last December in the hopes of moving the MBFR talks forward. After close and thorough consultation with our allies, we proposed to add

some US nuclear weapons and delivery systems to our first phase reduction package in exchange for Pact agreement to the NATO reduction proposal.

-- Warsaw Pact negotiators have responded to our proposal and negotiations are continuing in a serious vein. However, the issues in MBFR are extremely complex and go to the very heart of the structure of European security. Resolution of these issues will take time.

NSC
6/17/76

Administration Position

"We must have a balanced Navy, one that can deter conflict but one that can, if necessary, handle the full spectrum of possible conflict, from firing a warning shot across the bow, to winning an all-out war.

"Our Navy must be modern and it must be balanced. Such a Naval force requires a major effort to build new ships and requires that we continue to modernize an existing fleet, and its arsenal . . .

"We are strong today, and our allies and our adversaries know it, and that is why America today is at peace. Let there be no doubt whatsoever, we intend to stay strong so that we can stay at peace."

Remarks of the President
before the Chamber of
Commerce and San Diego
Navy League Council
San Diego, California
May 24, 1976

Background

- The US emerged from World War II with the strongest naval force the world has ever seen, and had a virtual naval monopoly.
- During the 1950s and 1960s, while the US added aircraft carriers and nuclear submarines, much of our fleet remained primarily World War II-vintage ships. During the 1960s and early 1970s, we faced the bloc obsolescence of these ships, and our force levels fell accordingly.
- At the same time, the Soviets -- learning from us the great advantage of a formidable naval force -- undertook a major shipbuilding effort in the 1950s and 1960s, transforming a largely coastal defense fleet into a major ocean-going naval force.

- Thus, we faced the inevitable bloc obsolescence of a large portion of our fleet at the same time that over a decade of Soviet shipbuilding effort was coming to full fruition.
- Our challenge is to maintain a naval force adequate to meet the Soviet threat in the near-term, while building a naval force for the future that would continue the American tradition of a combat-ready fleet fully capable of carrying out the maritime mission.

Administration Action

- In January of 1975 the President's budget proposal for fiscal year 1976 contained \$5.4 billion for Navy shipbuilding. In the FY 77 budget request, some \$6.3 billion was included to build 16 new ships for our Navy.
- Last January when the FY 77 budget was submitted, the President indicated that, because he viewed the shipbuilding issue as highly complex, he was initiating within the NSC system an intensive study of our future naval requirements out beyond the time horizon of our normal budget process. The President made it clear that should this study indicate a need for further expansion of our shipbuilding program, he would not hesitate to seek the required funds from the Congress.
- Already this study has shown that we need to increase our near-term efforts. For this reason, the Administration proposed a \$1.2 billion supplemental to its original budget request for fiscal year 1977, bringing the total number of ships that would be authorized in FY 77 to 21. The Congress failed to support this program.
- Our study of our future naval requirements is continuing and should result in a long-term blueprint for our naval forces in the 1980s and 1990s.

NSC
10/18/76

ISSUE: Pacific Trust Territories and Northern Marianas

Administration Position

On March 24, 1976 the President signed H. J. Resolution 549, approving the Northern Mariana Islands Commonwealth Covenant. The President noted that:

It is an important occasion, first it is a significant step in carrying out our obligations under the United Nations Trusteeship Agreement which has been the basis of the United States administration of these islands since 1947. Second, it confirms our national commitment to the principle of self-determination by honoring the freely expressed wishes of the peoples of these islands for political union with the United States. And third, the joining together of all of the Marianas under one flag and one common citizenship represents the first major addition to the United States territory in the Pacific since 1898.

Presidential Statement

March 24, 1976

Administration Actions

Northern Marianas

The Secretary of Interior has appointed a separate resident commissioner for the Northern Marianas, and he has established an administration separate from that of the Trust Territory of the Pacific Islands. In keeping with provisions of the Compact, the people of the Northern Marianas will now draw up and ratify their own constitution and establish their own internal government. The commonwealth will come into full effect when the Trusteeship ends, possibly in 1980 or 1981.

Trust Territory of the Pacific Islands

The President's Personal Representative for Micronesian Status Negotiations met with the Micronesian Joint Future Status Commission in late May and early June 1976. The meeting resulted in the initialing of a Compact for Free Association between the five remaining districts of the Trust Territory and the United States. The negotiators did not reach agreement on control over marine resources, and the Administration is currently developing a position on this issue for further negotiation with the Micronesians.

ISSUE: Panama Canal

Administration Position

Every President of the United States since Franklin Roosevelt has recognized the need and supported negotiations to modernize our relationship with Panama concerning the Canal.

"We are talking about a treaty with an extended duration We are going to insist, during the period of that treaty, that we have the right to operate, to maintain and defend it. . . . in addition, after the termination of the treaty, there would have to be an absolute insistence that there would be right of free access by all parties to the utilization of the Canal."

Interview with the President by
Editors of Harte-Hanks Newspapers
April 19, 1976

In 1959 President Eisenhower recognized that "titular sovereignty" of the Canal Zone remains with Panama. This is, however, a complex legal subject because the United States has been granted by treaty all the rights that go with sovereignty. It is simply not true that the Canal Zone is the same as Alaska or the states that made up the Louisiana Purchase. The central point is that we are involved in negotiations with Panama because they are the best way to protect our national interest in access to the Canal, an interest which is not assured by the current treaty.

Administration Actions

The President determined that the best way of protecting United States interests in the Canal was through continuation of negotiations with Panama on the possibility of arriving at a new treaty relationship. The goal of these negotiations is to reach an agreement which will accommodate the needs of both the United States and Panama while protecting our basic interests in defense and operation of the Canal. The basic outlines of the negotiations have been public since their publication in 1974 in the Statement of Principles agreed to by the United States and Panama. The negotiators' instructions continue to be based upon those principles. Negotiations are continuing, but there are a number of difficult questions remaining to be resolved. At this stage in the talks it is not possible to predict when agreement on a treaty might be possible.

The President has stated repeatedly that he has no intention of proposing to the Congress any agreement with Panama that would not protect our vital interests. Any treaty we reach with Panama will be submitted to the full constitutional process, including Senate approval, and the Administration is consulting closely with the Congress as the discussions continue.

NSC 8/6/76

ISSUE: Philippines - Base Negotiations

Administration Position

"In the field of security cooperation, they (Presidents Marcos and Ford) declared that the alliance between the United States and the Philippines is not directed against any country, but is intended to preserve the independence and promote the welfare of their two peoples, while at the same time contributing to peace and progress to all. They considered that the treaty of August 30, 1951 enhanced the defense of both countries, strengthened the security of the Pacific region, and contributed to the maintenance of world peace. They agreed that the military bases used by the U. S. in the Philippines remain important in maintaining an effective United States presence in the Western Pacific in support of these mutual objectives.

They agreed that negotiations on the subject of United States use of Philippine military bases should be conducted in the clear recognition of Philippine sovereignty. The two Presidents agreed that there should be an early review of the steps necessary to conclude the negotiations through the two panels already organized for that purpose."

Joint Communique on the
Occasion of President Ford's
Visit to the Philippines
Issued December 7, 1975

Administration Position

The U. S. -Philippine Military Bases Agreement of 1947, amended in 1966 to permit its expiration after 1991, grants the United States the use of several bases in the Philippines. For several years both the United States Government and the Government of the Philippines have recognized that further changes were needed in order to modernize the base arrangements and to make completely clear the fact that the Republic of the Philippines enjoys sovereignty over the bases while preserving the operational effectiveness of the United States in maintaining our mutual security interests.

A new round of negotiations began on April 12 with a meeting in Washington between Secretary Kissinger and Secretary Romulo. At the April 12 session the initial views of both governments were expressed and the U.S. side

presented a draft agreement for consideration. At the proposal of the Philippine delegation it was agreed negotiations should be continued in the Philippines in June after each side had had an opportunity to study the comments made at the opening session.

The negotiations have been in progress in the Philippines since June 15. Among the issues being negotiated are the facilities to be used, questions relating to command and control of the bases, criminal jurisdiction over U. S. forces, applicability of Philippine law, the term of the agreement, and compensation.

NSC

9/3/76

ISSUE: Portugal

Administration Position

Our relationship with Portugal is more cordial now than at any time in recent decades. In June, with the election of President Eanes, Portugal emerged from two years of transitional political activity. The President looks forward to working closely with President Eanes and Prime Minister Mario Soares.

Administration Actions

On July 13, 1976, the President sent a letter of congratulations to President Eanes upon Eanes' inauguration expressing our admiration and respect for Portugal's democratic triumph.

Later in July the President sent his congratulations to Mario Soares upon his inauguration as Prime Minister.

The United States has provided \$55 million in economic supporting assistance, \$25 million in PL 480, and special commodity loans to Portugal in 1976. Similar programs are planned for 1977.

NSC
8/9/76

Administration Position

On June 26, at the opening of the Puerto Rico Summit, the President said:

"The important thing about Rambouillet and our meeting here today is that they are part of an essential and continuing bi-lateral and multilateral effort by the leaders of the key industrialized democracies to address common problems and to improve mutual understanding. The complexity of our nations' economies, individually and collectively, means that we as leaders cannot afford to allow major difficulties to arise and then, by dramatic meetings, attempt to resolve them. It requires that we concert our efforts to prevent problems from arising in the first place -- to shape the future rather than reacting to it. It is with that objective in mind that this Summit is being held."

Presidential Documents
Vol. 12, No. 27, p. 1089

Administration Actions

Rambouillet resulted in:

-- Strengthened confidence among the peoples of the industrialized democracies in the economic outlook, which supported efforts in this country and abroad to achieve economic recovery.

-- Agreement between the U. S. and France on international monetary issues which contributed substantially to the reform of the international monetary system.

-- Agreement to avoid protectionist measures which contributed to the collective ability of the industrialized democracies to maintain an open trading order even during the depths of the recession.

-- Agreement to work to conclude the Multilateral Trade Negotiations in Geneva by the end of 1977.

At Puerto Rico, agreement was reached on:

-- The importance of achieving sustainable rates of growth which will reduce unemployment without creating new inflation.

-- On the need for each nation to manage its economic affairs so as to correct or avoid payments imbalances.

-- On the importance of coupling financial support to developed countries in special need with a firm program by the recipient to restore equilibrium.

-- On the need for a cooperative rather than a competitive approach by the developed countries toward the problems of the developing nations.

-- On the need to ensure that economic ties with the Communist nations make a constructive contribution to overall East-West relations.

NSC

7/16/76

Administration Position

At the Puerto Rico Summit, the President stated:

"Our economic relations with the developing world have reached a key decision-making stage. Clearly, we must continue to improve our political and economic relationships with the developing countries, to quicken the pace of their development and to avoid the risk of a return to the rhetoric and actions of confrontation. This requires a kind of preparation and collaboration which we have not yet achieved. It requires the same commitment, the same political will which we achieved at Rambouillet in pursuit of cooperation in sustaining economic recovery.

"We have no need to be defensive in our relations with developing countries. We have a strong position from which to propose and pursue long-term strategies in our interest as well as theirs. We are not under siege. To be effective, however, we have to avoid disarray and competitive efforts to gain monetary favor. Such competition may appear to be good short-term politics but it does not advance substantive achievement.

* * *

"Our posture with respect to internationally traded commodities will continue to be a key issue in our relations with the developing world. The United States' policy objectives in this area are to reduce excessive price fluctuations, improve market access for processed products of developing nations, ensure security of supply for consumers, and increase investment for resource development."

On May 6 in his UNCTAD speech at Nairobi, Secretary Kissinger said: "At this Conference the U. S. proposes its own comprehensive approach to commodity issues." It contains the following elements:

- Ensuring sufficient financing for resource development and for equitable sharing in the benefits of such development by the host nation.
- Improving the conditions of trade and investment in individual commodities, and moderating excessive price fluctuations.
- Stabilizing the overall export earnings of the developing countries.

-- Improving access to markets for processed products of developing countries while ensuring consumers reliability of supply.

In addition, Secretary Kissinger layed out a comprehensive approach in the area of technology which provides a broad range of programs and incentives to transfer both technology and the fundamental skills that will give it root and effectiveness. In addition, U. S. proposed a number of approaches to deal with balance of payments and debt problems of the developing countries and with the urgent problems of the poorest nations.

Administrative Actions

-- The 7th Special Session of the UN General Assembly adopted proposals made by the U. S. to help ensure basic economic security against cycles that devastate export earnings and undermine development. In January 1976 this was implemented when the IMF expanded its Compensatory Financing Facility, as we had proposed, to make available several billion dollars to stabilize developing country export earnings.

-- In September 1975 we pledged to improve developing country access to capital and new technology. To these ends the U. S., other industrialized nations, and several oil-producing countries have begun to marshal increased capital, technical and human resources to promote development.

-- The U. S. has been instrumental in establishing the Conference on International Economic Cooperation, where four committees (energy, raw materials, financial issues, and development problems) have been meeting in Paris since the beginning of this year to analyze and find answers to key development problems. The Conference members include industrialized, developing and OPEC countries. This is now moving from an analytical to a more action-oriented phase seeking balanced results supportive of our desire to meet developing country needs in the context of strengthened international economic cooperation and prosperity.

-- We have pledged to examine individual commodities to find ways to reduce excessive price fluctuations and improve the conditions of trade and investment. To this end we have participated actively in discussions on a number of commodities, and successfully concluded agreements on coffee and tin. We have also put forward a proposal for an International Resource Bank to reduce the non-commercial risks of foreign investment in developing countries, enabling them to diversify and expand their exports.

NSC
7/16/76

Administration Position

Speaking to members of the Radio and Television News Directors Association at the White House on January 30, 1976, the President said:

"Just a few weeks ago, Secretary Kissinger came back from a visit to the Soviet Union where further efforts were made to try and minimize differences between the Soviet Union and ourselves as far as a SALT II agreement is concerned. It is important that we do what we can, if possible, to put a cap on a runaway race in the nuclear arms field. We are operating under a SALT I agreement, but I think it is not sufficient to really find an answer, in the long run, to the dangerous potentialities of a nuclear arms race.

"We have not reached an agreement. We still have some unresolved problems, but we are slowly and, I think, constructively narrowing the gap. I think it is in the national interest if we can find a good agreement, to take further action in this important area."

Presidential Document
Vol. 12, No. 6, p. 105

In a Press Conference held in New Hampshire on February 8, 1976, the President said:

"I believe that SALT I was a good agreement. I believe that if we can get a SALT II agreement, it is in the best interest of this country.

"Let me just point out some of the things that will happen if we don't get a SALT II agreement. In the first place, Backfire will run free. There won't be any limitations or constraints on it. If we don't get a SALT II agreement, there won't be any definition of a launching weight or throw weight. If we don't get a SALT II, there will be no limitation on launchers or MIRVs after October 1977."

Presidential Document
Vol. 12, No. 7, p.

2

The Administration is seeking to obtain a new strategic arms agreement that would supersede the Interim Agreement on Strategic Offensive Arms signed by the US and the USSR in 1972. The Administration's goal in seeking the new agreement, which must be based upon the principle of equality and equal security, is to reduce tensions and the risk of nuclear war and to strengthen international peace and security.

The US and the Soviet SALT Delegations are continuing the negotiation of the detailed terms of a new agreement. These negotiations recently resumed in Geneva. This work involves putting the basic provisions already agreed upon at Vladivostok into treaty language and resolving other issues essential to an agreement which will protect US interests and command the confidence of both sides.

Administration Actions

President Ford met with General Secretary Brezhnev at Vladivostok in November 1974. The two leaders agreed upon the guidelines for a new agreement that would replace the Interim Agreement. The basic guidelines agreed on at Vladivostok were that each side would be limited to 2400 strategic delivery vehicles and 1320 missiles equipped with MIRVed warheads.

President Ford also met with General Secretary Brezhnev at the Conference on European Security and Cooperation in Helsinki in August 1975. They renewed their discussions on SALT and made progress on several issues which must be resolved before a new agreement based upon the Vladivostok guidelines can be completed.

Secretary Kissinger met with General Secretary Brezhnev in Moscow at the end of January 1976 and discussed the status of the SALT negotiations. Progress was made on several of the outstanding issues at that meeting.

President Ford submitted a new SALT proposal to General Secretary Brezhnev in February, and in March Brezhnev sent a reply to the President. The Administration is currently reviewing the Soviet proposal and developing a response. Our objective is to achieve a SALT agreement that is in the national interest, and the resolution of the issues will be unrelated to domestic politics.

NSC
9/27/76

ISSUE: Selective Service and Reserve and National Guard Forces

Administration Position - Selective Service

The President's program for an All-Volunteer Military Force includes provision for a standby Selective Service program. Under this plan, annual registration of eligible young men has been eliminated. The Selective Service System will retain a residual planning function and could be reinstated on a national basis, should circumstances necessitate such an action.

As the President said on April 23, 1976, in Indianapolis:

"I am absolutely convinced that as long as we have a well led military force, as long as we create the right environment, as long as we pay them a proper wage and as long as we inspire them, I think we can get all of the active duty military personnel that we need under a voluntary program and, therefore, do not need to utilize a selective service program."

Administration Actions - Selective Service

The President has acted to:

- Remove the requirement for annual registration of young men.
- Phase out local draft board operations, while maintaining national and state headquarters capabilities, mainly on a standby basis. In case of emergency, the local board system could be reactivated.

Administrative Position - Reserve and National Guard Forces

The All-Volunteer Force also involves a more central role for our National Guard and Reserve forces, and these forces are being integrated further into operational and deployment plans.

As the President stated in the Rose Garden on September 17, 1976:

"Our total force defense policy in which the National Guard plays a very crucial part is vital to this preparedness. Our active all-volunteer armed forces are no bigger than they have to be because of the outstanding contributions of our capable reserves and National Guard forces. I congratulate each and every one of you and your associates back home.

"My policy in this area is clear. Since we are giving the Army National Guard and the Air National Guard ever greater responsibility, we have to give you the best training and the best combat equipment available, and we will. We can never again afford to treat our National Guard as the poor relations of our regular forces. Hand-me-down weapons are not enough for the National Guard.

"My Administration has made every effort to upgrade your equipment and your training. Our guard forces are being equipped and trained to fight on the first team against any potential enemy. You are now being assigned some of the world's most modern combat equipment. In the future, I will fight to make certain that you get even more of the best."

Administration Actions - Reserve and National Guard Forces

The President has acted to:

- Sign legislation giving him the authority to call to active duty up to 50,000 members of the Selected Reserve to serve for a period not to exceed 90 days. This may be done prior to declaration of national emergency, and could indeed prevent certain situations from deteriorating into such emergencies.

In signing the new Reserve Call-Up legislation, the President noted on May 14, 1976 in Louisville:

"Under this legislation, we can more effectively utilize many key elements of our Reserve and National Guard forces. For example, over 60 percent of our tactical airlift and over 50 percent of our strategic airlift capability are made up of Reserve and National Guard personnel."

ISSUE: Spain

Administration Position

With the beginning of the reign of King Juan Carlos I in November 1975, Spain entered a new era. US-Spanish ties of friendship and cooperation are longstanding. Additionally, through its bilateral defense cooperation with the United States, Spain makes a significant contribution to the security interests of the Western world. In the period ahead, the United States looks forward to continuing and strengthening the policy of friendship and cooperation which is central to the excellent relations between the American and Spanish people.

On the occasion of King Juan Carlos' State Visit to the United States, June 2-3, 1976, the President said:

"Spain has entered a new era under your wise and able leadership. It holds great promise for the future of Spain and for the western community of nations. I am confident that your leadership will prove more than equal to the great task ahead and that the promise of the future will be fulfilled.

"Both of our countries today face very complex challenges. We look to our own future with confidence and we take great confidence from the assurance that the Spanish people will meet these challenges with the qualities they have shown in their long and illustrious history, courage, dignity, strength and pride.

"Our bilateral relationship as confirmed in the recently concluded Treaty of Friendship and Cooperation is excellent. I stated last year and I reaffirm today that Spain, through its bilateral defense cooperation with the United States, makes a major contribution to the western world. We are agreed on the interests of our two countries, share in common objectives, and common burdens promoting the prosperity and security of the Atlantic and Mediterranean region. "

White House Arrival Ceremony
June 2, 1976

Administration Actions

On May 31-June 1, 1975, the President paid a State Visit to Spain and met with Spanish leaders for a review of current US-Spanish ties and consultations aimed at future cooperation.

On January 24, 1976, the United States and Spain signed a new Treaty of Friendship and Cooperation which supersedes the expired 1970 agreement of friendship and cooperation. The Senate gave its advice and consent to ratification subject to a declaration on June 21, 1976. The President ratified the treaty on September 4, 1976 and the instruments of ratification were exchanged on September 21, 1976.

The principal elements of the new treaty are:

-- Establishment of a strengthened security relationship between the United States and Spain, including provision for military coordination and planning related to Western defense matters. In this connection, the treaty does not establish a mutual defense obligation, but underscores the interests that the two nations share in having a strong and credible defense in the Western European/Atlantic area.

-- An assistance package for Spain amounting to approximately \$770 million over the next five years -- over \$600 million in loans and credits and the balance in various forms of grants. Independent of the treaty, we are planning to provide \$450 million in Export-Import Bank loans -- thus explaining the total shown in press reports of \$1.2 billion for the agreement.

-- Retention of all existing U.S. installations and facilities on Spanish soil, with the following exceptions. We have agreed to remove most of our tanker aircraft from Spain to locations elsewhere in Europe and to withdraw by July 1, 1979, the ballistic missile submarines based at Rota. These revised basing arrangements reflect changes in military technology and requirements that have taken place over the last few years or are expected to occur in the near future.

On June 2-3, 1976, King Carlos I paid a State Visit to the United States.

ISSUE: Threshold Test Ban (TTB) / Peaceful Nuclear Explosives (PNE) Treaty Ratification

Administration Position

"This new (PNE) Treaty, together with the Threshold Test Ban Treaty, will govern the conduct of every underground nuclear explosion for military or peaceful purposes for both parties. The two Treaties impose the same limit of 150 kilotons on all individual underground nuclear explosions." (President Ford at Signing Ceremony, May 28, 1976)

In signing the PNE Treaty, the President described it as:

" . . . an historic milestone in the history of arms control agreements: For the first time it provides for extensive cooperative arrangements for on-site observation in monitoring underground nuclear explosions. "

During ratification hearings on these Treaties, we expect to encounter considerable opposition from critics. Some will assert that the threshold is much too high and that "legitimization" of PNEs may block progress towards a comprehensive test ban (CTB) which they argue is presently achievable. Others may argue that in view of TTB/PNE verification uncertainties, the treaties will constrain us more than the Soviets. There are convincing arguments in rebuttal, however:

- The 150 kiloton threshold will prevent continued testing of the numerous higher-yield weapons in each side's strategic arsenal and is the first progress toward a comprehensive test ban in many years;
- PNE agreement constrains PNEs which would otherwise be unlimited and is precedent-setting in view of its provision for on-site inspection; and
- Our verification capabilities under the agreement are adequate to guard against any asymmetries in test practices.

The most compelling argument, however, and the one that may be the major factor in completing ratification is that the agreements constitute continuation, in an otherwise difficult period, of U.S. and Soviet efforts to reduct the risk of nuclear war.

Administration Actions:

After 19 months of difficult negotiations in Moscow, agreement was reached on a PNE treaty which was signed by President Ford and General Secretary Brezhnev on May 28 in simultaneous ceremonies in Washington and Moscow. President Ford noted at the signing ceremony that "the agreement demonstrates that our two countries can soberly negotiate responsible and beneficial agreements despite the difficulty of the challenge." The PNE Treaty was subsequently combined with the TTBT and on July 29 the President submitted them to the Senate for its advice and consent to ratification noting that:

"The TTB Treaty and the PNE Treaty, taken together as integrated and complementary components of this important limitation on nuclear explosions, provide that very large yield nuclear explosions will no longer be carried out by the Parties. This is one more useful step in our continuing efforts to develop comprehensive and balanced limitations on nuclear weapons. We will continue our efforts to reach an adequately verifiable agreement banning all nuclear weapon testing, but in so doing we must ensure that controls on peaceful nuclear explosions are consistent with such a ban. These Treaties are in the national interest, and I respectfully recommend that the Senate give its advice and consent to ratification."

8/4/76



ISSUE: The Uganda-Kenya Situation

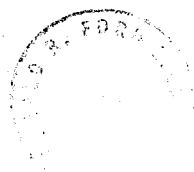
Administration Position:

The United States is not directly involved in the dispute between Kenya and Uganda. The dispute has its roots in territorial claims of Uganda against Kenya, and more recently in Ugandan allegations of Kenyan complicity in the Israeli rescue of hijacking hostages from Entebbe Airport near Kampala.

Obviously, it is the hope of this Administration that the Uganda-Kenya dispute can be settled peacefully.

There is no truth in the report that the United States, Britain and Kenya are involved in an orchestrated campaign to topple President Amin of Uganda.

NSC
8/4/76



ISSUE: United Nations

Administration Position:

In response to a vote in the Social Committee in the United Nations characterizing Zionism as a form of racism, the President on October 24, 1975 issued the following statement:

"It has been a general principle of the United States to take grave exception to any action that weakens the United Nations as an effective forum for the peaceful resolution of international disputes .

"We deplore in the strongest terms the recent vote in the Social Committee characterizing Zionism as a form of racism. Such action undermines the principles upon which the United Nations is based.

"The spokesmen for the United States in the United Nations have expressed well and forcefully the views of this Administration and the American people on this issue."

Presidential Documents
Vol. 11, No. 43, p. 1191


Subsequently, following a vote on the same issue in the plenary of the United Nations, the President said at a press conference in Atlanta on November 14, 1975:

"I think the United Nations by that resolution has seriously handicapped, at least to some extent, its usefulness. I hope and trust, however, it will realize and understand the ramifications and will not proceed any further in that direction or anything comparable to it.

"I do not, however, think that the United States should withdraw from the United Nations just because of the unwise action of this resolution. You can always do better trying to correct something from within than from without.

"We have no particular plans for any recriminatory action for any of those 32 nations (that abstained on the United Nations Zionism resolution vote). We just think they were very wrong."

Presidential Documents
Vol. 11, No. 47, p. 1287



The Administration believes that a strong viable United Nations whose membership works in a spirit of cooperation is essential to world peace and prosperity. It is important in advancing that goal for the United States to speak out when it feels the United Nations is being threatened. The Administration is concerned by trends in the United Nations system over the past year or so toward politicization of the system and the use of it for narrow political purposes. Such a trend does severe injury to the viability of the United Nations. The Administration believes it is important for the U.N. body to give appropriate weight to the views of its members and to seek to work in a spirit of consensus and not through mechanical voting majorities.

Administration Actions:

In response to the action in the United Nations equating Zionism with racism, the Administration has refused to participate in any way in the observance of the Decade for Action to Combat Racism and Racial Discrimination, now that it has been totally perverted from its original intent by including Zionism as a form of racism.

The United States took a leadership role in the Seventh Special Session of the United Nations in September 1975 making concrete proposals for improving the economic development of the developing nations.

In response to certain negative trends we saw in the organization, the United States on November 6 indicated its intention to withdraw from the International Labor Organization (ILO), one of the specialized agencies of the United Nations. This notice does not mean that the U.S. has irrevocably decided to withdraw from the ILO, but expresses our concern about the following developments in the organization: the weakening of the tri-partite principle; denial of due process to some countries; a double standard in the implementation of human rights convention; and, politicization of the organization. It is our hope that these problems, leading to the notice of our intent to withdraw, can be resolved and that U.S. membership in the ILO will continue.

ISSUE: UN Membership for Vietnam and North and South Korea

Administration Position

President Ford stated on September 12, 1975:

"We believe in the universality of the United Nations. We feel it is in the interest of the world as a whole to have all nations that want to become a part of the United Nations to be members, but the effort of North and South Vietnam to get in was predicated on their coming in alone.

"We felt if North and South Vietnam were to be a part of the United Nations, South Korea, that has had its application in to be a member for a good many years, also ought to be included. You can't be selective on who or what nation should be part of the United Nations".

Presidential Documents
Vol. 11, No. 38, p. 993

Moreover, the Vietnamese have failed to provide a full accounting of Americans missing in action in Vietnam. Their inaction on this issue is inconsistent with the humanitarian principles which guide United Nations membership.

Administration Actions

The United States has twice vetoed the admission of North and South Vietnam into the United Nations and has more recently indicated it would similarly veto the application of a unified Vietnam at this time. On two occasions we took this action because the Communist members of the Security Council blocked consideration of the request for admission by South Korea, and we refused to adhere to a policy of selective universality. At the same time, we must insist on the Vietnamese obligation to provide an accounting of Americans missing in Vietnam.

United Nations Ambassador Moynihan stated on August 11, 1975:

"The United States today has, for the first time, vetoed the admission of a new member to the United Nations.... This is an action my country hoped it would never take.... What in the end changed our mind was the decisions of the Council taken at its 1834th meeting on August 6, 1975. It became absolutely clear that on that occasion that the Security Council, far from being prepared to support the principle of universal membership,

was denying to one applicant (South Korea) even the right to have its case considered.... The United States had made clear that we were prepared to vote for the admission of each and all of the three applicants before us...."

Ambassador Moynihan
United Nations
August 11, 1975

On September 13, 1976, Ambassador Scranton further expounded on our position:

"The President has instructed me today to veto that admission.

"For some time, we have been trying to work with the Vietnamese to have them be interested in the problem of the MIA's and their families, and so far have had very little in the way of either information or helpfulness from them concerning them.

"As you probably know, there are two major criteria concerning membership in the United Nations. One is the matter of peace loving, and if it is a peace loving nation, then we want it to be a member of the United Nations; and the other is, is it interested in humanitarianism?

"Certainly there is no object or no issue currently in the United States in regard to our relationship with Vietnam and in the world generally to indicate inhumanity more than their complete lack of reasonableness concerning bringing us information about these men who were lost in that area."

Ambassador Scranton
Press Interview at the White House
September 13, 1976

NSC
9/28/76

ISSUE: USSR/Detente

Administration Position

The President said on August 19, 1975 to the American Legion Convention in Minneapolis: "The process of detente -- and it is a process -- looks toward a saner and safer relationship between us and the Soviet Union. It represents our best efforts to cool the cold war, which on occasion became much too hot for comfort.

"To me, detente means a fervent desire for peace, but not peace at any price. It means the preservation of fundamental American principles, not their sacrifice. It means maintaining the strength to command respect from our adversaries and provide leadership to our friends not letting down our guard or dismantling our defenses or neglecting our allies. It means peaceful rivalry between political and economic systems, not the curbing of our competitive efforts.

"Since the American system depends on freedom, we are confident that our philosophy will prevail. Freedom is still the wave of the future. Detente means moderate and restrained behavior between two superpowers, not a license to fish in troubled waters. It means mutual respect and reciprocity, not unilateral concessions or one-sided agreements.

"With this attitude, I shall work with determination for a relaxation of tensions. The United States has nothing to fear from progress toward peace."

Presidential Documents
Vol. 11, No. 34, pp. 871-2.

From the outset of his Administration, the President has stressed his commitment to work 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 competitor in many parts of the globe.

Through a combination of firmness and flexibility, however, the United States has laid the basis of a more stable relationship based upon mutual interest and mutual restraint.

Building from the understanding and objectives we share with our European allies, the United States has made progress with the Soviet

Union and Eastern Europe on an important range of issues aimed at lessening the chances for war and improving the opportunities for cooperation.

Administration Actions

In November 1974 at Vladivostok the President and General Secretary Brezhnev agreed on the general framework for a new strategic arms agreement that will set firm and equal limits on the strategic forces of both sides through 1985. The United States and the Soviet Union are currently engaged in negotiations to translate the Vladivostok accord into a formal ten-year agreement.

We have continued to exercise an active leadership role within the NATO Alliance in the Mutual and Balanced Force Reduction (MBFR) talks with the Soviet Union and its Warsaw Pact allies. As expected, these negotiations have been both complex and difficult. The issues being addressed go to the very heart of the structure of European security and affect the vital interests of some nineteen participating countries. We are confident that if the discussions continue to be treated seriously by both sides, it will be possible to achieve a result that will advance the cause of peace in Europe and the security of all participants.

Pursuant to Article III of the Threshold Test Ban Treaty of July 3, 1974, the United States and Soviet Union are engaged in negotiations to conclude an agreement at the earliest possible date governing the conduct of nuclear explosions, including peaceful nuclear explosions. The delegations have met regularly in a promising effort to achieve this goal.

In the European Security Conference, we have reached agreement on provisions aimed at assisting the process of reducing tensions and increasing contacts and cooperation between East and West. The CSCE document specifically recognizes the right of self-determination of peoples, includes a strong re-statement of the principle of human rights and fundamental freedoms, and gives a public commitment to a greater measure of freedom of movement of people and ideas than has existed in the past. The President believes that the inclusion of these provisions, in which the United States played an energetic part, has advanced the cause of peace in Europe and promoted the cause of human freedom. At the same time the Final Act was not a binding legal document. It did not ratify post-war frontier changes. The Final Act states only that frontiers cannot be changed through the use of force, a concept to which we have subscribed in the UN Charter. In addition, the document expressly provides that frontiers can be changed by peaceful means, thus indicating broad acceptance that the possibility for peaceful evolution, and frontier changes,

quite properly exists in Europe. This was a major concession by the Warsaw Pact and it refutes the charge that present borders are being permanently frozen.

By attending the Summit level conclusion of the Conference, the President helped place CSCE into perspective as an important element in our overall efforts toward a relaxation of tensions in Europe, which will require concrete efforts to carry out the commitment for freer movement of people and ideas which were undertaken in the Final Act of the Conference.

President Ford has met regularly with Soviet officials to further develop our bilateral relations and to continue the search for peace. His talks with General Secretary Brezhnev, Foreign Minister Gromyko and a number of government ministers with responsibilities for the wide-range of joint US-Soviet cooperative endeavors have contributed to progress on important negotiations and to a more reliable relationship based on mutual interest and mutual restraint.

ISSUE: US-Greek Relations

Administration Position

"Our goals in the Eastern Mediterranean in the months ahead -- to help the parties involved achieve a Cyprus settlement, to rebuild a relationship of trust and friendship with both Greece and Turkey, to alleviate the suffering on Cyprus and to meet Greece's needs for assistance -- are objectives on which we all can agree. Let us now join in working together to achieve them."

Presidential Documents
Vol. 11, No. 40, p. 1112

On April 5, 1976, in his remarks to the AHEPA Banquet, the President stated:

"... my policy toward Greece is a policy toward positive action based on the many interests we share bilaterally, on our important ties as allies and on the very great ties of friendship and kinship between our peoples. This is my policy, this will continue to be my policy...."

Earlier, on October 3, 1975, in signing into law S. 2230, the bill partially lifting arms restrictions on Turkey, the President stated in part:

"... the Administration intends to provide support to the democratic government of Greece. In that regard, we will pursue efforts to help that country overcome its current economic and security problems. Also, in compliance with S. 2230, I will submit within 60 days my recommendations for assistance to Greece for fiscal year 1976." (On October 30, the President submitted to the Congress his FY 76 request for assistance to Greece.)

Administration Action

In FY 1976 the United States provided Greece with \$156 million in FMS credit, \$34 million grants, and \$65 million in security supporting assistance. In FY 1977 the US provided \$127 million in FMS credits and \$33 million in grants for a 27 month total of \$415 million in assistance.

On April 15, 1976, the President met in the White House with the Greek Foreign Minister to review US-Greek relations. On the same day, an announcement was made that the United States and Greece had initialed a "framework" bilateral security agreement, the details of which are now being negotiated. The agreement provides for our continued use of U. S. bases on Greek soil. In the



agreement, the United States will provide Greece over the next four years with security assistance totalling approximately \$700 million in a combination of grants, loans and guarantees. Negotiation of a few specific provisions of the agreement are continuing in Athens.

In August, the United States cooperated with three European allies to develop a UN Security Council Resolution on the Aegean dispute which was mutually acceptable to Greece and Turkey.

NSC
10/18/76

Issue: U.S. -Philippine Military Base and Economic Negotiations

Administration Position

In the Joint Communique issued at Manila December 7 President Ford and Philippine President Marcos addressed the two major subjects on which we are now negotiating with the Philippines: a revision of our military base agreement and new agreements on trade and commercial relations. The communique stated:

"In the field of economic and commercial relations, they agreed that it was timely to conclude negotiations on a new agreement on trade, investment and related matters as a means to enhance economic cooperation between the two countries. This agreement would modernize the terms for conducting economic and commercial relations, taking account of the end of the Laurel-Langley agreement and giving due consideration to the requirements for the development of the Philippine economy. The Philippine Government stressed its urgent desires regarding United States tariff treatment for such significant Philippine products as mahogany and coconut oil.

"In the field of security cooperation, they declared that the alliance between the United States and the Philippines is not directed against any country, but is intended to preserve the independence and promote the welfare of their two peoples, while at the same time contributing to peace and progress to all. They considered that the treaty of August 30, 1951 enhanced the defense of both countries, strengthened the security of the Pacific region, and contributed to the maintenance of world peace. They agreed that the military bases used by the United States in the Philippines remain important in maintaining an effective United States presence in the Western Pacific in support of these mutual objectives."

Department of State Bulletin
Vol. LXXIII, No. 1905, p. 925

Administration Actions

Joint Economic Negotiations opened in Washington March 29, 1976 and recessed two weeks later. Both sides are now considering the others' positions, and it is anticipated the talks will resume late in 1976.

Carlos P. Romulo, Philippine Secretary of Foreign Affairs, led a delegation to Washington April 12, 1976 to open bilateral negotiations to revise our military base agreements. Following this formal opening session, the talks resumed in Baguio in the Philippines June 15 with Ambassador William Sullivan leading the U.S. delegation.

ISSUE: Normalizing Relations with Vietnam

Administration Position

"In Indochina, the healing effects of time are required. Our policies towards the new regimes of the Peninsula will be determined by their conduct toward us. We are prepared to reciprocate gestures of goodwill -- particularly the return of the remains of Americans killed or missing in action or information about them.

"If they exhibit restraint toward their neighbors and constructive approaches to international problems, we will look to the future rather than to the past."

President Ford's speech at the East-West Center, University of Hawaii
December 7, 1975

"We are willing to talk with the Vietnamese. At my direction, we have exchanged messages with them, indicating our willingness to discuss outstanding issues in our two countries. We have made clear that our primary concern is to obtain an accounting for our servicemen who are missing in action. Without a satisfactory solution of the MIA issue, no further progress in our relations is possible."

President Ford's Remarks to
National League of MIA/POW Families
July 24, 1976

"It is callous and cruel to exploit human suffering in the hope of diplomatic advantage. The Vietnamese have an obligation to provide a full accounting of all Americans missing in action. I call upon them to do so without further delay. Normalization of relations cannot take place until Vietnam accounts for all our men missing in action."

Statement by President Ford
at the White House, September 7, 1976

Administration Actions

We have reciprocated all Vietnamese gestures. In response to Hanoi's release of Americans they had detained and the return of the remains of five members of our Armed Forces, the Administration has expanded both the categories and the amount of equipment and material we would

approve private and humanitarian agencies sending to Vietnam. This action has permitted the shipment of some \$4 million worth of aid to Vietnam.

We have continued to look to the future in our relations with Vietnam. At the President's direction, the Department of State informed the Vietnamese in March 1976 that we were prepared to discuss with them the whole range of issues facing our two countries, including an accounting for our men still missing or held prisoner in Indochina. Six notes were exchanged in which we indicated our willingness to hold talks. Despite Hanoi's making these notes public in early September 1976, we are continuing this process.

NSC
10/18/76

ISSUE: US-Soviet Relations

Administration Position

The President said on March 5, 1976, at Bradley University, "This Administration believes that we have an obligation not to go back to the cold war where confrontation in effect took place literally every day of the year. We have an obligation to try and meet every problem individually, specifically, every issue as it comes up in an effort to negotiate rather than to confront, whether it is with the Soviet Union or the People's Republic of China.

"We can do this effectively if we have the strength militarily and otherwise to have a two-way street. Now, the United States, despite what some critics have said, has not under any circumstances gotten the short end of the deal. We are good Yankee traders, and we have done darn well by the United States.

"Now, let's take the grain sales to the Soviet Union. I know some candidates for the Presidency have said that we ought to not make any sales, that we ought to buy all the grain from the farmers and store them in Government-owned warehouses, put that heavy lid over the price structure of our agriculture at a cost, as it was some ten years ago, of \$1 billion a day, about \$400 million a year.

"That is what it costs to store grain when we were not selling it overseas. I just don't think we should make our farm export problem the pawn of the international politics. By strong, effective negotiations we came out with a good agricultural deal with the Soviet Union.

"If we get a SALT II agreement that will keep a lid on strategic arms in the next seven to ten years, it will be to the benefit of the United States.

"Let me ask this very simple question: Is it better to have a mutual limit of 2,400 launchers and 1,320 MIRV missiles -- isn't that better than having 4,000 or 5,000 launchers or 2,000 or 4,000 MIRV missiles?

"Isn't that better for all of us? It really would be better if we could go below 2,400 and 1,320 as long as we had rough equivalents between the two super-powers.

"If we had an open thermonuclear arms race, that is not in the best interest of the United States on the world as a whole. We have an obligation to have rough equivalency that will deter aggression, either by us or by them, and permit us to do some things that are needed and necessary for the world as a whole, as well as for the United States.

"Any of these people that challenge us in these kinds of day-to-day negotiations, issue by issue, problem by problem, have not been in the ball game. They have lots of rhetoric, but I don't think they understand the problems."

Administration Actions

From the outset of his Administration, the President has stressed his commitment to work for improved relations with the Soviet Union. 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.

The President has stated that the United States is the strongest nation on earth. Our military might is unmatched. Our economic and technological strength dwarf any other. Our heritage as a democracy of free people is envied by hundreds of millions around the world. In virtually every aspect of human endeavor, we are the most advanced country anywhere.

At the same time, the Soviet Union is a growing superpower. Because the United States and the Soviets are political opponents and military rivals, the US-Soviet relationship in this nuclear age has the most profound implications for global survival. When the President uses the term "peace through strength" to discuss our approach to the US-Soviet relationship, it is not because there has been a change in U.S. policy -- it is because he wants that policy to be clearly understood.

From the U.S. position of strength, it is the President's policy to assure the security of the United States. In U.S. dealings with the Soviet Union, it is the President's policy to move beyond an era of constant confrontations and crises, to prevent Soviet expansionism, to develop a more stable relationship based on restraint and respect. In keeping with this policy, the President on October 1, 1976 again met with Soviet Foreign Minister Gromyko for a discussion of the major issues before the United States and the Soviet Union.

This is a policy involving mutual restraint, mutual respect and mutual benefit. There is no give-away, no one-way street. We pursue this policy because it is in our national interest to do so.

In November 1974 at Vladivostok the President and General Secretary Brezhnev agreed on the general framework for a new strategic arms agreement that will set firm and equal limits on the strategic forces of both sides through 1985. The United States and the Soviet Union are currently engaged in negotiations to translate the Vladivostok accord into a formal ten-year agreement.

-- We have taken historic and positive steps to limit strategic arms, steps that safeguard our vital interests while for the first time, promising to cap the growth of Soviet and American nuclear weapons at equal levels. Through mutual agreement, we have avoided a very costly and strategically futile ABM race -- in our current negotiations we are seeking to avoid a very costly and strategically futile offensive arms race. This is in our interests; our security is fully safeguarded in this process.

-- In trade, we have reached agreements on grain assuring income to American farmers and the enormously productive U.S. agricultural sector, earning foreign exchange for our economy and protecting American consumers from fluctuations in grain prices due to Soviet actions in the international grain market. We remain vigilant to ensure that US-Soviet trade does not affect our national security interests. Our country benefits -- in jobs and dollars -- from the sale of goods to the USSR. This is not a give-away; it is in our interests.

-- The President has made high-level contacts, including meetings at the summit, a more normal practice. These discussions have given each side a clearer understanding of the other's views; they have diminished the chances of misunderstanding or miscalculation. These discussions have increased the prospects for solutions to problems in our interest; they have lessened the risk of US-Soviet differences escalating to the flash-point.

The suspicions and rivalries of more than a generation cannot be swept away in a short time. Our political rivalry and military competition with the Soviet Union will continue. As the recent past has shown, our policy requires us simultaneously and with equal vigor to resist expansionist drives and to shape a more constructive relationship. There is no responsible alternative.

NSC
10/18/76



ISSUE: US-Turkish Relations

Administration Position

"Our goals in the Eastern Mediterranean in the months ahead -- to help the parties involved achieve a Cyprus settlement, to rebuild a relationship of trust and friendship with both Greece and Turkey, to alleviate the suffering on Cyprus and to meet Greece's needs for assistance -- are objectives on which we all can agree. Let us now join in working together to achieve them. "

Presidential Documents
Vol. 11, No. 40, p. 1112

United States military assistance to Turkey was cut off in February 1975 by action of the Congress. The aid cut-off by the Congress was intended to influence Turkey in the Cyprus negotiations. But the effect of the Congressional action has been to block progress toward reconciliation, thereby prolonging the suffering on Cyprus; to complicate our ability to promote successful negotiations; and to increase the danger of a broader conflict.

The total U. S. embargo on military assistance to Turkey imposed a strain on our relationship with this important NATO ally. Following the failure of the House in late July 1975 to partially restore military assistance to Turkey, the Turkish Government suspended operations at the joint US-Turkish defense bases and called for negotiation of our bilateral security agreement with Turkey.

Administration Action

Realizing the damage done to US/NATO security interests in the Eastern Mediterranean and lack of progress to date in reaching a Cyprus settlement, the Congress at the urging of the President acted on October 2, 1975, to partially lift the embargo on U. S. arms for Turkey. Following the Congressional action, the President on October 3, 1975, outlined the objectives of U. S. policy toward Turkey:

"... we will seek to rebuild our security relationship with Turkey to underscore that Turkey's membership in the Western alliance and partnership with the United States serve the very important interest of both nations. "

Presidential Documents
Vol. 11, No. 40, p. 1112

In this regard, the President and Turkish Foreign Minister Caglayangil met on March 24, 1976 to reaffirm our long-standing ties of friendship and alliance, and agree on the importance of building on and strengthening this relationship.

On March 26, 1976 the United States and Turkey signed a new Defense Cooperation Agreement providing for U. S. military assistance over the term of the agreement (\$1 billion total in a combination of grants, loans and guarantees plus \$400 in EximBank credits) in exchange for a resumption of U. S. operations at the joint defense bases. The agreement will take effect after acceptance by both nations. On June 16, 1976, in submitting the DCA to the Congress for approval, the President stated:

"This Agreement restores a bilateral relationship that has been important to Western security for more than two decades. I believe it will promote U.S. interests and objectives on the vital southeastern flank of NATO and provide a framework for bilateral cooperation designed solely to reinforce NATO and our common security concerns. To the extent that the Agreement restores trust and confidence between the United States and Turkey, it also enhances the prospects for a constructive dialogue on other regional problems of mutual concern."

Presidential Message to the Congress
June 16, 1976

Congressional action on the DCA is pending. Administration witnesses testified on September 15, 1976 before the Senate Foreign Relations Committee that the Administration favors rapid Congressional approval of the DCA. Meanwhile, Congress has passed and the President signed the International Security Assistance and Arms Export Control Act of 1976 which makes up to \$250 million in military sales, credits, and guarantees available to Turkey in FY 1976-1977.

On July 29, the President met with Turkish Opposition Leader Bulent Ecevit to discuss the interests Turkey and the United States share.

NSC
9/28/76



ISSUE: US-USSR Relations -- The Affront of Angola

Administration Position

The President said in February 1976, in response to a question from the Inland Daily Press Association, at the White House, "First, I categorically deny that in our relations with the Soviet Union they have benefited more than we. That is just totally inaccurate.

"If we are going to talk about Angola, the blame should not be laid at the White House. The blame should be laid at Capitol Hill because I strongly said that we had to meet the challenge without U.S. military personnel in Angola.

"I signed a necessary document that said we would use certain amounts of money to provide arms to the FNLA and to the UNITA forces -- two out of the three forces in Angola. With the release of that money those two forces were beating the MPLA. Until the Congress said no, the forces we were supporting were prevailing.

"But the minute the Congress said no, and we couldn't provide our allies with what they needed, then the Soviet Union and Cuba won. It is just that simple.

"That is not a fault of the Administration or the Executive Branch. The Congress just failed to stand up and do what they should have done. So there can't be any blame of the Executive Branch in failing to challenge the Soviet Union. The Congress bugged out. That is just what it amounted to.

"So I can assure you, whether it is in Angola, or any place else, we are going to meet forthrightly the challenge of any nation that has aggressive interests beyond what we think are reasonable and fair. We challenged them in Angola, but we were precluded from doing what was necessary.

"I hope the Congress, if it happens again, will have a different attitude. And if they will, I think we can prevent expansionism any place throughout the world, as I think we should.

"What really worries me -- and I was talking to a very astute person this morning about this -- if you will refresh your memory you will recall in the 1930's when Mussolini went into Ethiopia and the allies did nothing, absolutely nothing, that was the invitation for further aggression, whether it was in Africa in that instance or elsewhere.



"Now I am not saying Angola is identical, but it has enough similarity that we ought to look in past history and learn from it. And I hope the Congress recognizes that every time we fail to act where aggression is obvious, it just invites a greater action someplace else.

"We are going to meet the challenge unless the Congress continues to handcuff us.

"Let me assure you if we sign the SALT agreement, it will be an agreement in our interest in world peace; it will be a good, two-way, Yankee trader agreement, nothing more, nothing less."

Presidential Documents
Vol.12 , No. 9 , p. 289

Administration Actions

The President believes that the success of our relations with the Soviet Union depends very much on what we do. If we unilaterally cut our defenses; if we deprive ourselves of economic tools as instruments of our diplomacy; if we undermine SALT negotiations and leave Soviet programs unconstrained; if -- as has been the case -- through the actions of the Congress we fail to block Soviet moves in local conflicts such as Angola, we are tearing down both their incentives for restraint and the penalties for their improper action. If we deprive ourselves of the tools of our own policy, we cannot then be surprised at the unsatisfactory results. Building better US-USSR relations and the peace this promises depend upon America meeting its responsibilities. This is common sense.



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Administration Position

In remarks at the Pentagon on March 29, 1976, the President said:

All of us recognize that the aim of our Alliance is not strength for its own sake but strength for peace. Our aim in Europe is security and the true relaxation of tension -- not perpetual confrontation. The stability that we have insured in Europe by maintaining the military balance for 30 years, which we must maintain, creates opportunities for confident diplomacy. To diffuse powder kegs such as Berlin or to negotiate on mutual and balanced force reductions -- this has been NATO's declared policy for nearly a decade.

The stability also creates opportunities for building bridges, for seeking greater communication and understanding among peoples of Eastern Europe, the Soviet Union and the West. It builds an environment in which free movements of people and ideas can take place.

As I stated emphatically before all of the leaders of the Communist as well as the Western countries of Europe, there can be no true security and cooperation in Europe until human rights and freedom are expanded everywhere. The United States and the Atlantic Alliance stand for freedom. That is our policy and that is the policy of the American people.

Presidential Documents
Vol. 12, No. 14, pp. 506-507

A week later, at the swearing in of Ambassador Robert Strausz-Hupe as the new representative to the North Atlantic Alliance, the President underscored that:

For over a quarter of a century, NATO has served as a bulwark of Western defenses. It has successfully deterred aggression against the North Atlantic community. The United States is totally committed to the NATO alliance. It is a cornerstone of our foreign policy -- has been and is and will be in 1976 -- as it has been over a quarter of a century, and it will continue to be in the future. We have stood firm in the defense of liberty for two centuries, and we shall also always be faithful to that heritage.

Presidential Documents
Vol. 12, No. 15, pp. 572-573

The President's foreign policy has been aimed at one central objective -- that of safeguarding and advancing the interests of all Americans in the face of strategic, political, economic and energy challenges and opportunities of immense complexity. In this process, our relations with our friends and allies in Western Europe and Canada have been of the greatest importance.

Over the two years, we have strengthened the process of consultations with our friends and we have made progress in negotiations with competitors aimed at producing a more peaceful, more stable world. Our foreign policy has reflected a total commitment to working with our friends to safeguard and advance U.S. and allied interests.

Little more than an hour after the President took the Oath of Office on August 9, 1974, he asked the Ambassadors of the NATO nations to meet with him at the White House, and in that meeting emphasized that the Atlantic Alliance remains the cornerstone of U.S. foreign policy and that he looked forward to working as closely as possible with the nations of Western Europe to ensure a strong and prosperous trans-Atlantic relationship. Since that meeting he has met at least once with the leaders of every member of the Alliance. The very productive NATO summit in Brussels on May 29-30, 1975, and the Conference on Security and Cooperation Summit in late July 1975 provided welcome opportunities for intensive consultations. President Ford believes these meetings, characterized by a spirit of friendship and candor, have helped bring about impressive achievements by the industrialized democracies in recent months -- above all, clear demonstrations of the capacity of the West to deal with common problems.

Administration Actions

We have improved the process of consultation with the Allies.

Together, the United States and Western Europe have created the International Energy Agency to face economic problems and an energy challenge of unparalleled proportions. We are tackling the problems of energy conservation and alternate sources and continuing our discussions with the producer countries to further understanding and to seek solutions in our mutual interest.

We have worked hard to maintain a strong and credible defense at a time when each NATO member must cope with severe budgetary demands. Initial steps have been taken to achieve more efficient use of existing defense resources, for example, through standardization of equipment -- an effort underscored by the decision in 1975 of four allies to adopt and to co-produce the U.S. F-16 fighter aircraft and the U.S. Army's recent decision to purchase Belgian-built machine guns.

President Ford's trip to Europe in May 1975 for the NATO summit afforded the welcome opportunity for meetings not only with NATO heads of government but also with leaders in European countries of great importance to the Spanish ties and consultations aimed at future cooperation. In Rome, talks with Italian President Leone and Premier Moro resulted in renewed confidence in the strength of Italian-American friendship and the clarity of the goals we share as Allies and as democracies. The President's meeting at Vatican City and Pope Paul VI permitted a valuable review of major humanitarian issues confronting mankind.

Similarly, the President's trip to Europe in July-August 1975 served to reinforce our ties with our traditional allies through his visit to the Federal Republic of Germany and by demonstrating at the CSCE Summit in Helsinki our deep and continued interest in European affairs and our commitment to the maintenance of peace and security, and the advancement of human rights throughout Europe. In his remarks to the Conference, the President sketched his vision of European-American relations when he said that "My presence here symbolizes my country's vital interest in Europe's future. Our future is bound with yours. Our economic well-being as well as our security, is linked increasingly with yours. The distance of geography is bridged by our common heritage and our common destiny. The United States, therefore, intends to participate fully in the affairs of Europe and in turning the results of this conference into a living reality. "

Presidential Documents
Vol. 11, No. 32, p. 813
August 1, 1975

The President's affirmation of the United States intention to participate fully in the affairs of Europe was demonstrated soon thereafter when he met in November with the heads of the governments of several of our NATO allies and of Japan at Rambouillet, France to discuss the world economic situation and economic problems common to the industrialized democracies. Agreement was reached at Rambouillet that sustained, stable economic growth in the industrial nations would be facilitated by cooperative efforts.

Encouraged by significant progress toward economic recovery in the months following the Rambouillet conference but foreseeing new challenges ahead, the President proposed in late spring that a second such meeting be convened in Puerto Rico in June to establish a cooperative, coordinated approach to managing effectively the transition to sustainable economic expansion without a resurgence of inflation. At the conclusion of the Puerto Rico summit, the President noted the positive results and concluded that the meeting and his bilateral talks with the leaders of France, West Germany, Italy, the United Kingdom, Japan and Canada had "strengthened prospects for progress by

the industrialized countries in a number of key areas. If we nurture the sense of common purpose and vision which has characterized these discussions, we have an opportunity to shape events and better meet the needs of our citizens and all the world."

Presidential Documents
Vol. 12, No. 27, p. 1090

On September 15, 1976, the President continued the process of intensive consultations with our NATO partners meeting at the White House with the Permanent Representatives to the North Atlantic Council and NATO Secretary General Luns.

NSC
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