

The original documents are located in Box 27, folder “Second Debate, 10/6/76: Issues - Europe & Latin America” of the Michael Raoul-Duval Papers at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Michael Raoul-Duval donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

REBUTTAL ON ALLIES

Mr. Carter ignores the close relations we have with our allies, as shown in the Economic Summits, the troop-cut negotiations, and new areas of cooperation on economic issues and energy issues.

We have undone the damage done to our alliance relations under Democratic administrations in the 1960's.

Mr. Carter says he is for our allies, yet he takes positions that would invite a major crisis of confidence with all our allies:

- He wants to review our NATO forces, and talks about unilateral troop cuts;
- He would change NATO's agreed nuclear strategy, shifting to a dangerous "massive retaliation" strategy instead of the agreed policy "flexible response."
- He would withdraw our troops from South Korea, which would risk Japan's security.

All of this is the surest way to undermine our alliances.



RELATIONS WITH ALLIES

Relations with our allies have never been better. We have undone the damage done by the years of neglect under Democratic Administrations of the 1960's:

- I have met with all our allied leaders. They have confidence in our policy.
- The Economic Summits (Rambouillet, November 1975; Puerto Rico, June 1976) were a milestone. Cooperation now extends beyond defense to cooperation on economic and energy policy.
- We have beefed up NATO defenses.
- Our cooperation with France is closer than before.
- Spain and Portugal are moving steadily toward democracy.
- We have a common position in the East-West talks on troop cuts.
- I was the first American President to visit Japan.
- My basic principle that we stand by all allies -- Israel, Korea, Iran, as well as our NATO allies and Japan -- because if we fail to stand firm in one place, we undermine the confidence of our allies and only hearten our adversaries.



REBUTTAL ON ALLIES :

CARTER CHARGES: RELATIONS WITH ALLIES IN DISREPAIR.

MR. CARTER SEEMS TO BE TALKING MORE ABOUT CONDITIONS THAT EXISTED IN THE PAST THAN THE CONDITIONS OF TODAY. IF HE WILL TALK WITH ALLIED LEADERS -- AS I HAVE -- HE WILL FIND THAT WE ENJOY CLOSE RELATIONS, AS SHOWN IN THE ECONOMIC SUMMITS, THE TROOP-CUT NEGOTIATIONS, AND NEW AREAS OF COOPERATION ON ECONOMIC ISSUES AND ENERGY ISSUES.

OUR ALLIES NO LONGER FEEL NEGLECTED; THEY NO LONGER QUESTION THE CONSTANCY OF AMERICAN PURPOSE.

MR. CARTER SAYS HE IS FOR OUR ALLIES, YET HE TAKES POSITIONS THAT WOULD INVITE A MAJOR CRISIS OF CONFIDENCE WITH ALL OUR ALLIES:

- HE WANTS TO RETHINK OUR WHOLE NATO ALLIANCE, AND TALKS ABOUT U.S. TROOP CUTS;
- HE WOULD CHANGE NATO'S AGREED NUCLEAR STRATEGY, SHIFTING TO A DANGEROUS "MASSIVE RETALIATION" STRATEGY INSTEAD OF THE AGREED POLICY "FLEXIBLE RESPONSE."
- HE WOULD WITHDRAW OUR TROOPS FROM SOUTH KOREA, WHICH WOULD RISK JAPAN'S SECURITY.

ALL OF THIS HAS BEEN VERY UNSETTLING TO OUR ALLIES.



October 4, 1976

MEMORANDUM FOR: BILL GREENER
FROM: MIKE DUVAL 151
SUBJECT: SECOND DEBATE

Bill, could you give me some one-line rebuttals for the following:

- There are more flag rank officers in DOD now than at the end of World War II.
- Retirement system is too costly -- should be improved.
- Current Defense procurements are 20% competitive versus 80% negotiated/sole source. Greater savings if moved to more competitive.
- In-house government lab work rising compared to contracting it to the private sector.

Also, Bill, anything else you can think of based on your estimate of how Carter's going to attack us.

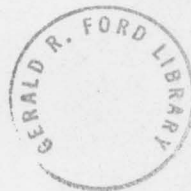
Thanks very much.



RESPONSE TO CARTER CLAIM THAT THERE ARE MORE FLAG OFFICERS NOW
THAN DURING THE WAR:

EVERY LIEUTENANT (J.G.) IN HISTORY HAS ADVOCATED GETTING
RID OF ALL THE ADMIRALS, BUT LET'S LOOK AT THE FACTS:

(INSERT)



First, we have half as many generals and
admirals today (1138) as we had at the
end of World War II (2068).

Second, even if we fired every general and
admiral currently on duty, we would
only save \$60 million per year. ~~that~~

Third, the officer-enlisted ratio must
remain higher in peacetime than war
in order to allow for rapid
mobilization in an emergency.

(an advisor)

October 1, 1976

MEMO FOR: DAVE GERGEN

FROM: BUD McFARLANE

This goes to the points made in yesterday's Evans and Novak. It may be helpful as you develop your flip card on Eastern Europe.

cc:

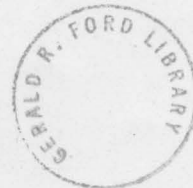
Bill Hyland

Les Janka

Peter Rodman

✓ Mike Duval

Larry Eagleburger



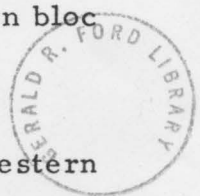
DETENTE - EASTERN EUROPE

Q: In recent days Governor Carter has stated that your policy of detente has "given up too much to the Russians and gotten too little in return." He states that he sees no reason for your having participated in the Helsinki Conference at all. Governor Carter has stated elsewhere that he would bargain more strongly with the Soviets to assure that we realize true benefits from the relationship. Could you comment?

A: -- At the outset it strikes me as specious and naive, for the same man who proposes to cut \$5-7 billion from the defense budget, to withdraw or draw down our forces from overseas and reconsider our NATO policy, to state that he would be tough toward the Soviet Union. These statements are contradictory.

-- With respect to the results of the Helsinki Conference, Mr. Carter's understanding is exactly backwards. Far from legitimizing Soviet domination of Eastern Europe, the Helsinki Accord expressly provides for the peaceful change of these borders -- a concession of enormous significance in Eastern bloc politics.

- In addition, through determination, the Western countries succeeded in requiring the Soviet Union to commit to the promotion of freer emigration, reunification of families and increased cultural exchange. Here again the Soviet Union



formally committed itself for the first time to such rights -- and we are seeing very modest fruits in the form of improved journalist access and some family reunification.

-- Perhaps the best testimony to the morality and wisdom of the Helsinki Accords is its signature by the Chancellor of Germany, the Prime Minister of the United Kingdom, the President of France, the rest of our NATO allies, and the representative of Pope Paul VI. To suggest that these men take lightly the importance of human rights and individual liberty is absurd.

-- I have always spoken out forcefully for the protection of human rights and individual liberties, including the right to emigrate. Let's look at the record. It was a Republican Administration which succeeded in raising Jewish Emigration from the Soviet Union to its highest level in history -- 40 times what it had been in 1968 -- over 35,000 annually. It took the excessive action by the Congress to destroy that progress and cut emigration to about one-third of that amount. I should point out that Mr. Carter has commended this Congressional action.



-- To say that my policies accept Soviet domination over Eastern Europe is patent nonsense. The United States

recognizes no spheres of influence nor the hegemony of any people over another and it never will. For me this is more than a rhetorical exercise however. I have carried this message in personal visits to the people of Eastern Europe -- to Poland, Yugoslavia and Romania.

-- Mr. Carter promises contradictions; to weaken our armed forces and get tough with the Russians. It is my experience from personal dealings with General Secretary Brezhnev that he respects strength -- not weakness. I intend to assure our strength remains second to none. Any other notions of dealing with the Soviet Union are foolish and dangerous.

I. TROOP WITHDRAWALS

A. General Withdrawals

CARTER. Carter always mentions troop withdrawals in the context of cutting the defense budget. He said, for example, "we have a bloated bureaucracy in the Pentagon, too many troops overseas, too many military bases overseas..." (11/23/75), and "we're wasting enormous quantities of money. We've got too many military bases overseas." (3/21/76).

Response. Generally you should try to emphasize the fact that Carter statements have been fuzzy, at times contradictory, and invariably wrong when citing particular facts and figures. This should be done in the context that he is ill-informed on defense matters (because of lack of experience on national problems) and badly served by all too sloppy staff work.

When asked about troop withdrawals, you should ask if Carter means: (a) cutting the total number of U.S. troops by bringing home and deactivating some; or b) maintaining the overall number of troops yet deploying less overseas and more in the U.S.

If Carter means (a) or reducing the overall number of troops, a response is that we are at the lowest level since before the Korean War, going from a peak of 3.5 million in 1968 to 2.1 million today. We just cannot afford to go any lower and maintain the overall military balance (the Soviet Union has 4.4 million under arms).

If Carter means (b) or merely bringing home troops, a response is that such a move would lower capabilities and deterrence without lowering costs in the near future. Troops stationed in the U.S. just do not have the deterrent effect of those stationed on the NATO or Korean borders. Should deterrence fail, such troops at home do not have the capability for defense that those in place, with equipment and facilities on hand, have. In terms of cost, the savings of redeploying troops in the U.S. would be, at best, minimal. To bring home one-fourth or 50,000 of our ground forces assigned to NATO would cost an additional \$700 in the first year, with some type of capability in Europe maintained for such forces. No savings at all would accrue for 15 years, at the least.



B. Withdrawals from Asia

CARTER. "I think that to reduce our land forces in South Korea gradually over a period of years would be an appropriate action to take," (5/10/76). Carter would try to reassure Japan by "consultation" that this withdrawal from Korea had no impact on our commitment to Japan (6/23/76). According to a Carter policy statement in early 1976, he would advocate a gradual U.S. troop withdrawal from Japan as well.

RESPONSE. Events last month showed that the threat from North Korea is still a serious one. Our troops serve there, as they have successfully for 25 years, for deterrence. Redeployment to the U.S. would initially cost money and would save nothing for a number of years. Japan is concerned about our commitment to Korea, and we are concerned about our commitment to Japan, our second largest trading partner (after Canada), a good friend, democratic government, and an ally. All of Asia, indeed the world, would be concerned about Japanese rearmament. As a nation, we have guaranteed Japan's security since World War II in part to discourage such rearmament; lessening that commitment would surely encourage more militaristic forces in Japan to rearm. If not rearming in such a situation, Japan could go neutral (like India?) which would also be a serious move for us as a Nation and for the overall balance in the world.

II. ECONOMY MOVES

A. General Measures

CARTER. Most of his remarks on defense focus on economy measures -- to trim down the huge bureaucracy and flabby, "frilled" military establishment. The Democratic Platform sets the tone: "...with the proper management, with the proper kind of investment of defense dollars, and with the proper choice of military programs, we believe we can reduce present defense spending by about \$5 billion to \$7 billion." Carter has come down to this figure from \$12-15 billion March, 1975; and \$7 to \$8 billion in January, 1976.

RESPONSE. Generally five points should be made. (1) The way Carter is coming down on his defense cuts, pretty soon he'll be supporting the President's budget. We are quite pleased with his statements which -- though contradictory -- are showing an increasing awareness of the threats to freedom, adverse trends, etc. (2) Any government agency, indeed any business, can get greater efficiency. The call for better management of the defense establishment has been made since DoD began, and will be made as long as it exists. It is a constant need deserving constant attention. In this post-Vietnam era, we are constantly making adjustments and modernizing. (3) Most if not all the specific proposals made by Carter have already been done, or at least are being done. It is easy to promise things already accomplished or underway. Furthermore, the figures he gives as savings are consistently wrong. He is ill-informed and, as a result, is misleading



3

the American public, not only on the general point that huge sums can be saved through better management, but also that savings of specified amounts will accrue from his recommended actions. (4) The President has taken many more actions to improve efficiency than ever mentioned by Carter. Under his own authority, the President has taken efficiency measures which save \$2.2 billion in FY 1977 and will save \$50 billion in the next 15 years. Other actions require legislation. Unfortunately, the Democratic Congress has yet to act on the whole package sent up last January which would save some \$800 million in FY 1977, and more than \$70 billion over a fifteen year period (FY 1977-91). Rather than clamor for actions already underway in DoD, he should push his party leaders in Congress to take new actions. (5) Although necessary, we feel that there are more important national security issues facing America than these management concerns. The real issue of national security in 1976 is: How can we keep the peace in the decades ahead while preserving our principles, maintaining our vital interests abroad, assuring our allies, etc? This involves a careful consideration of the threats to freedom which do exist in the world, the increasing power and appetite of the Soviet Union, the adverse trends, etc.'

B. Transfers of Personnel

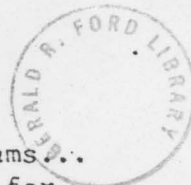
CARTER. "We must recognize that our military personnel are transferred too much. At any given moment, about one out of seven of those personnel is in the process of moving...This year, \$2.5 billion will go simply to move service personnel, their families...Such frequent moves not only eat up money, they undermine morale. If we extend the average tour of duty by just two months, we could save \$400 million per year" (VFW Speech, 8/24/76).

Response. (1) We are working on this problem with our PCS/Turbulence reduction efforts and have been working on it since I took office ten months ago -- long before Mr. Carter addressed the issue. (2) His figures are inaccurate. He is ill-informed by sloppy staff work and consequently misleading the American people. The \$2.5 billion figure includes some civilian personnel as well as "service personnel." Most important, a two-month extension of service would save less than half the amount he presents (\$186 million, not \$400 million as he states).

C. Training Ratios

CARTER. "We need to reexamine our military training programs... We now have an average of one and a half military students for each instructor. By moving to a ratio of only three students to each instructor, we could save an estimated \$1 billion per year." (VFW Speech, 8/24/76).

RESPONSE. (1) We have already taken action in this area as well -- reducing training staff by 14% (or 31,600) while increasing the number of students trained 2% between FY 1975 and



1977. Flight training has been reduced by 44% and graduate education by 36% between FY 1973 and 1977. (2) Again, Carter's figures are wrong; again the result of sloppy staff work. At present there are five students per instructor, not 1.5 as he states. Moving to three per student, as Carter advocates, would only cost money, not save it. Does he wish to increase the number of instructors per students?

D. Cost Overruns

CARTER. "Cost overruns have become chronic. The Pentagon itself estimates that the total current cost of overruns on the 45 weapons systems now in the process of development in the three services -- exclusive of inflation -- is \$10.7 billion. Over the next five years that would approximate the cost of the proposed B-1 bomber program over the same period." (VFW Speech, 8/24/76).

RESPONSE. (1) Cost overruns are serious, but they are a problem of society in general -- both business and government -- rather than one confined to the military. In fact, a recent GAO Report states that the Pentagon is better in this regard than other government agencies. Whereas military programs grew by 33%, non-military acquisition programs in the government grew over 100% from base estimates. The Federal Highway Administration and Appalachian Regional Commission both grew by 100% and Department of Transportation by 50%. In private business, the Bay Area Rapid Transit grew by 73%, the Washington Metro by 86% (and is still growing), the John Hancock Building in Boston by 100%. (2) Carter's figures are actually low; the correct amount is \$13.4 billion for 44 weapons systems.

E. Officer to Non-Officer Ratio

CARTER. "What we have now are...too many major military officers and generals" (8/23/75). "Waste and inefficiency are both costly to taxpayers and a danger to our own national existence. Strict management and budgetary control over the Pentagon should reduce the ratio of officers to men..." (8/12/74). "We've got too top-heavy a layer of personnel assignments. We've got more admirals and generals than we had at the end of the Second World War." (3/21/76)

RESPONSE. (1) Again, his facts are wrong, again because of sloppy staff work. We do not now have more generals and admirals than at the end of WW II. In fact, today we have about half the number (1138 today vs. 2068 in 1945). (2) Efforts to reduce the officer to non-officer ratio have been underway for some time. Between FY 1973 and 1977, the reduction in senior officer personnel has been nearly twice that of military personnel overall (13% vs 7%). These cuts include an 8% reduction in admirals and generals, and a 12% reduction in colonels and lieutenant colonels. (3) While we are making progress, the amount of savings possible by reducing the number of officers is minimal. To fire all generals

and admirals outright would save DoD only \$60 million per year. To replace them with colonel-level officers in the same positions would save only \$10 million per year. (4) The officer to non-officer ratio must remain higher in peacetime than during war -- such as World War II -- in order to allow for rapid mobilization, should the need arise.

F. Tooth-to-Tail Ratio

CARTER. "We've got too many support troops per combat troop" (3/21/76). "What we have are...too many support troops per combat troop..." (11/23/75).

RESPONSE. (1) We have taken action in this area, beginning four years ago. From FY 1973-76, we reduced support forces by 244,000 while increasing combat strength by 29,000. (2) We are now streamlining the entire military establishment, in part by eliminating or proposing for elimination 15 command headquarters and 25,600 headquarters positions since FY 1974.

G. Transferring Programs From DoD

CARTER. "The Defense Department now overlaps the functions of civilian agencies, with a great waste of money" (5/2/76). He advocated transferring programs "like education, training, housing, social programs, and transportation" from DoD to civilian agencies.

RESPONSE. It is misleading the American people to state that such transfers could save substantial sums of money if the functions of the various programs were maintained. This resembles Carter's widely-heralded streamlining of the Georgia government by reducing the overall number of agencies, etc. What he neglects to mention, however, is that while he was governor, state spending increased 58% and the number of state employees increased 24%.

III. OTHER POINTS

A. Eliminating Nuclear Weapons

CARTER. "The biggest waste and danger of all is the unnecessary proliferation of atomic weapons throughout the world. Our ultimate goal should be the elimination of nuclear weapon capability among all nations" (12/12/75). "I think this nation ought to have as its ultimate goal zero nuclear weapons for any nations in the world" (12/15/74). "...we (must) demonstrate meaningful progress toward the goal of control and then reduction and ultimately elimination of nuclear arsenals" (5/14/76).

RESPONSE. This is a noble goal, one possible if the world were a Garden of Eden with an absence of threat to freedom. However, as a serious proposal in the real world, it shows a lack of rigorous

analysis and consideration of the repercussions. Since World War II, the U.S. has been able to deter aggression and maintain the overall military balance because of our nuclear weaponry, particularly our superiority in the number of nuclear warheads. Were we and the Soviet Union to simply eliminate nuclear weapons in the near future, we would have to increase our conventional strength substantially, perhaps doubling or tripling our forces, with all that implies in terms of doubling or tripling the budget, reinstatement of the draft, etc., in order to meet the superior Soviet conventional forces. Alternatives to this vast increase of our conventional forces would be unthinkable: retreat to a form of isolationism or accommodation to the Soviet view of the world.

B. Euro-Communism

CARTER. "I believe that we should support strongly the democratic forces in Italy, but still we should not close the doors to Communist leaders in Italy for friendship with us. I just hate to build a wall around Italy in advance, should the Communists be successful" (5/10/76).

RESPONSE. Leaders in America just should not give the wrong signals about the acceptability of a government with Communist leaders in NATO. Such signals are easily picked up and used for legitimization, as was done by Italian Communist leader Berlinguer who (according to UPI dispatch, 6/16/76) said in a nationally televised broadcast from Rome: "...others, including Presidential hopefuls from the Democratic Party, have said that although they don't like the idea of our participation in a government, this should be viewed with relative tranquility." The Communist newspaper, L'Unita, earlier praised Carter for saying that the U.S. should not rule out cooperation in advance if the Communists entered a coalition government, according to the same dispatch.

C. Other Points Mentioned by Carter

FMS. "Can we be both the world's leading champion of peace and the world's leading supplier of the weapons of war? If I become President, I will work with our allies...and also seek to work with the Soviets to increase the emphasis on peace and to reduce the commerce in weapons of war" (7/18/76). "...we (must) put a stop to the dubious practice of arms giveaway programs for potential adversaries" (8/24/76).

RESERVES. "...I have been concerned that our reserve forces, both the regular reserve and the National Guard, do not play a strong enough role in our military preparedness. We need to shift toward a highly trained, combat-worthy reserve, well-equipped and closely coordinated with regular forces -- always capable of playing a crucial role in the nation's defense" (8/24/76).



LIMITED NUCLEAR WAR. "Our Defense Secretary and Secretary of State have talked about limited war. My belief is that if we ever start a limited atomic war that it would very quickly escalate into an all-out war...I think we ought to be prepared to recognize...that once a nuclear war starts...a very good likelihood is that it would be an all-out nuclear war" (7/7/76).

B-1 BOMBER. "We don't need the B-1 bomber" (2/9/75). "I believe we should cancel the B-1 bomber. It's too expensive and its an unnecessary new system" (12/2/75). After a visit to SAC Headquarters in Omaha, Carter stated he would continue research and development on the plane because "it might be after I become President I would change my mind" (5/10/76). The Democratic Platform states, "Exotic weapons which serve no real function do not contribute to the defense of this country. The B-1 bomber is an example of a proposed system which should not be funded and would be wasteful of taxpayers' dollars."

CARTER'S STATEMENT ON USE OF U.S. TROOPS IN EASTERN EUROPE

Carter was quoted by the Associated Press on Saturday, October 16 in Kansas City, Missouri as follows:

Carter said he would not send troops to Eastern Europe if nations in the Soviet bloc revolted against Soviet domination. "I don't know what I'd do, but I wouldn't send American troops in," he declared. "I would not go to war in Yugoslavia" even if the Soviet Union sent in troops after President Tito leaves power.

We recommend the following for rebuttal purposes:

I read about Governor Carter's comments last Saturday in Kansas City, Missouri. He was asked if he would send U.S. troops to Eastern Europe if one of these nations revolted against Soviet domination. According to the press dispatches, the Governor said, "I don't know what I'd do, but I wouldn't send American troops in."

I was asked essentially the same question in my press conference last week and I declined to say what I would do as President if such an event occurred.



There is an important lesson here. The President of the United States should not tell a potential adversary what this country will do or what our options are in the event of hostilities.

Mr. Carter's serious error in Kansas City goes beyond the Eastern European issue. He does not understand the sensitivity of such remarks.

He has made the same dangerous mistake in his comments on removing U.S. troops from South Korea. I have seen over six press reports starting in February 1975 and as recently as May of this year where Governor Carter is quoted to the effect that he would remove atomic weapons from Korea and U.S. troops. In some of these interviews he talks about a 5-year phased withdrawal of troops.

We must remember, as many historians have pointed out, that one of the commonly accepted reasons why North Korea attacked South Korea was because the United States officially indicated in 1950 that it would not defend South Korea if attacked.



Page 3

According to reports, this was viewed as an open invitation to the North Koreans.

I do not know how the North Koreans or the Soviets will interpret the specific comments made by Mr. Carter.

That is not the issue. The issue is that Presidents and serious candidates for that office should never make such statements. They do not serve the interests of the United States and they do not serve the interests of world peace.

NOTE: ONE OF YOUR LARGEST ADVANTAGES OVER CARTER IS THE PERCEPTION THAT YOU ARE EXPERIENCED IN FOREIGN POLICY AND THAT YOU WILL KEEP AMERICA STRONG ENOUGH TO MAINTAIN PEACE.

THE ABOVE STATEMENT INVOLVES GREAT RISK. YOU MUST BE VERY CAREFUL NOT TO GIVE CARTER OR THE PRESS ANY OPENING TO CHARGE THAT YOUR STATEMENT CAN BE INTERPRETED AS AN INDICATION THAT YOU WOULD USE TROOPS.

-- Rebuttal on Troop Withdrawals

Mr. Carter has always mentioned troop withdrawals in the context of cutting the defense budget.

Withdrawals of U.S. troops from overseas:

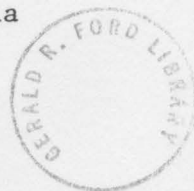
1. Would endanger the peace and stability which has existed in Europe and Northeast Asia for the past quarter of a century.
2. Does not save large sums of money:
 - (a) Initially costs more money because of the need to build new facilities, i.e., barracks and support facilities.
 - (b) Withdrawal of one-fourth of our ground forces in NATO -- while maintaining airlift capability would cost an additional \$700 million in the first year.
 - (c) The only way money could be saved would be to bring U.S. forces home to the U.S. and discharge them from the military. I oppose such actions. To go below the 2.1 million men and women in uniform today would seriously cripple the capability of the military.
 - (d) The number of troops overseas is the lowest in two decades. It has been reduced from 2.1 million in the last Democratic Administration down to 434,000.

Withdrawals from Europe:

1. This is now a matter that is being negotiated in discussions on mutual and balanced force reductions. Unilaterally withdrawing troops from Europe would reduce the incentives for the Soviets to negotiate.

Withdrawals from Korea:

1. Would endanger the peace and stability of all Northeast Asia including Japan, our second largest trading partner and a strong ally.
2. It would damage our relations with the Japanese Government



Troop Withdrawals:

My predecessors, beginning with President Truman, had the foresight to realize that only through American presence and strength in Europe and on the Korean Peninsula could we deter aggression and have peace and stability in those vital areas of the world.

Readiness in Europe

1. American troops in Europe are prepared to provide an effective deterrent and, if necessary, strength against aggression.
2. That is not to say that their state of readiness is perfect -- or even as high as I would like it. It is not.
3. The Chief of Staff of the Army asked General James F. Hollingsworth to visit Europe in order to evaluate the state of readiness of our forces. In his report, General Hollingsworth made hundreds of recommendations -- some of which were underway before the report was completed, others are now being implemented by the U.S. Army, still others are consideration.
4. Our readiness in Europe has deteriorated for two very basic reasons:
 - (a) During the 1973 Middle East War, we provided equipment to Israel from Europe to aid that nation in defending its national security.
 - (b) Democratic Congresses have cut defense budgets proposed by Presidents of both parties by a total of \$45 billion over the past decade, \$33 billion in the last six years alone --had to take its toll. When the overall budget is cut by such large amounts, munition stocks, stores, training exercises, spare parts, maintenance -- the very items which are essential for a high state of readiness -- are usually the items most heavily affected.
5. Our allies have been improving their efforts to our mutual defense in recent years. Our European allies together increased their efforts by an average of 2.3% between 1970 and 1975, while the U.S. -- because of Congressional cuts -- actually reduced our defense spending an average of 4% a year.



LATIN AMERICA - PANAMA

We have a major new approach to Latin America:-- we have learned to listen more and to talk less.

- We have given special attention to the economic concerns of Latin America; we consulted closely on trade cooperation.
- We have presented this June a new program to improve human rights, increase economic cooperation and reform the inter-American system.
- Our relations with Latin America have never been better as a result of this positive approach.

Panama Canal

- Like four Presidents before me, I have concluded that a new Treaty is necessary to protect our long-term national interest in the Canal.
- We want to reach an agreement that assures US control over the Canal's defense and operation during the term of the Treaty and meets Panama's aspirations.
- Our friends and neighbors are watching to see if we are fair to Panama.
- "Sovereignty" is not the real issue. How to best assure US interests is.
- Only a new treaty offers the best assurance of protecting vital US interests in the Panama Canal.
- I would not recommend any Treaty that does not protect our vital interests.



LATIN AMERICA - PANAMA REBUTTAL

Mr. Carter has said we have neglected Latin America and has promised a more aggressive policy. But he has also complained about our getting involved in other countries' affairs. He can't have it both ways!

- In the early '60's the Democrats proposed paternalistic, expensive programs -- \$15 billion worth of made-in-America answers to Latin problems.
- That caused resentment and disillusionment.
- We have changed this. Now we are listening to our Latin friends as equals.
- No administration has done more to improve trade cooperation, to create conditions for stable exports of commodities and to promote special arrangements for the transfer of our technologies to our neighbors.
- Our relations have never been better.

LATIN AMERICA - PANAMA

We have a major new approach to Latin America -- we have learned to listen more and to talk less.

- We have given special attention to the economic concerns of Latin America; we consulted closely on trade cooperation.
- We have presented this June a new program to improve human rights, increase economic cooperation and reform the inter-American system.
- Our relations with Latin America have never been better as a result of this positive approach.



Panama Canal

- Like four Presidents before me, I have concluded that a new Treaty is necessary to protect our long-term national interest in the Canal.
- We want to reach an agreement that assures US control over the Canal's defense and operation during the term of the Treaty and meets Panama's aspirations.
- Our friends and neighbors are watching to see if we are fair to Panama.
- "Sovereignty" is not the real issue. How to best assure US interests is.
- Only a new treaty offers the best assurance of protecting vital US interests in the Panama Canal.
- I would not recommend any Treaty that does not protect our

vital interests

LATIN AMERICA - PANAMA REBUTTAL

Mr. Carter has said we have neglected Latin America and has promised a more aggressive policy. But he has also complained about our getting involved in other countries' affairs. He can't have it both ways!

- In the early '60's the Democrats proposed paternalistic, expensive programs -- \$15 billion worth of made-in-America answers to Latin problems.
- That caused resentment and disillusionment.
- We have changed this. Now we are listening to our Latin friends as equals.
- No administration has done more to improve trade cooperation, to create conditions for stable exports of commodities and to promote special arrangements for the transfer of our technologies to our neighbors.
- Our relations have never been better.



✓

REPORT ON LETELIER BOMBING

On September 21, 1976 at approximately 9:35 a.m., an explosive device detonated in an automobile owned and driven by former Chilean Ambassador to the United States, Orlando Letelier. He was killed. One of his passengers, Ronni Moffitt, was also killed, and his other passenger, Ronni's husband, Michael Moffitt, was injured. The bombing occurred in Washington, D. C. as the vehicle was proceeding down Massachusetts Avenue and entering Sheridan Circle. The three occupants were en route to their place of employment.

The FBI instituted investigation immediately. The full facilities of the Bureau laboratory are being utilized in connection with this investigation and it has been designated as a high priority investigation. This requires that all investigative leads be covered on an expedited basis. The manpower being devoted to this investigation varies depending on the leads, but is estimated to be approximately 75-100 special agents working on the case throughout the United States.

The Metropolitan Police Department is also involved in this investigation, and there exists a close working relationship between the Bureau and the Metropolitan Police Department in this matter. Other government agencies, such as CIA and the State Department, are also cooperating fully in attempting to obtain and turn over to the Bureau all relevant information.

10/4

