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Last Updated: 02/08/2024



March 7, 1985 NO. 42

AS PREPARED FOR DELIVERY

STATEMENT BY THE HONORABLE GEORGE P. SHULTZ SECRETARY OF STATE BEFORE THE SUBCOMMITTEE ON FOREIGN OPERATIONS COMMITTEE ON APPROPRIATIONS U.S. SENATE WASHINGTON, D.C. MARCH 7, 1985

I. OPENING

Mr. Chairman and distinguished members of this committee,

I know that we agree on the need for prudent investments abroad to enhance our national security, promote economic and political freedom, and reflect the humanitarian concerns of the American people. Foreign assistance is such an investment. Yet our foreign assistance request for FY 1986 comes before this Committee at a time when this Administration and the Congress are committed to bringing our budget deficits down. As a former budget director, perhaps I am more sympathetic than most to the immense challenge this poses and the painful choices that will have to be made.

Recognizing the overriding importance of reducing the budget deficit, we have carefully constructed our economic and military assistance programs to a level and mix that represent the minimum requirements to support our foreign policy objectives.

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At the same time, we must bear in mind that our foreign assistance programs are vital to the achievement of our foreign policy goals. A world of peace, freedom, international stability, and human progress cannot be built by the United States alone. We need the support and cooperation of the many friends and allies around the world who share our hopes and dreams of a better world, and who rely on us. And if we are to count on their support in facing the difficult and sometimes dangerous challenges of the modern world, we must ourselves be a reliable partner. We must be consistent in our devotion to the principles we cherish and proclaim: to promote prosperity, to defend freedom, to help build democracy and respect for human rights, to help alleviate suffering, and to protect our friends and allies against aggression.

In his State of the Union address, President Reagan noted that "dollar for dollar, our security assistance contributes as much to global security as our own defense budget." Strengthening our friends is one of the most effective ways of protecting our interests and furthering our goals. It gives them the ability and the confidence to defend themselves and to work for peace. If we are willing to pay the relatively modest cost and make the necessary sacrifices today, we can avoid far greater costs and sacrifices in the future. Foreign assistance is a prudent investment in our future, and the world's future. When I appeared before this distinguished Committee last year, I sought to show how closely linked our foreign assistance programs are to our most fundamental foreign policy goals.

The events over the past two years have convinced me more than ever before that we are on the right track. We have strengthened our relationships with our friends in the developing world against Soviet expansionism. We have seen a number of developing countries move toward free and more open economies. Increasingly, the world recognizes that statist economic systems do not work. Free market economies do. And we have witnessed extraordinary progress in the growth of democratic institutions and in the decline of dictatorships, particularly in our own hemisphere.

It is no coincidence that along with the emergence of freer societies we see more open economies. One supports and reinforces the other. People, if they have a choice, want economic growth. They want prosperity. They need only the personal security and the political and economic environment that allows them to exercise their will and use their talents.

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Our support for the security and territorial integrity of our friends, therefore, advances the most basic human goals of prosperity and freedom. But it also advances another goal, peace. We have seen over the years that economic progress, individual liberty, and world peace are closely related. As President Reagan said in his Second Inaugural Address: "America must remain freedom's staunchest friend, for freedom is our best ally and it is the world's only hope to conquer poverty and preserve peace. Every blow we inflict against poverty will be a blow against its dark allies of oppression and war. Every victory for human freedom will be a victory for world peace."

Today we are seeing developments in the Third World which, if we continue to nurture them, will lead to a more secure and prosperous world. There will inevitably be occasional setbacks, but if we stay the course, I believe the emerging pattern of stable and democratic governments will slowly but inexorably grow and be strengthened.

Much remains to be done. The most effective contribution we can make to the developing world is to maintain a healthy American economy. Our economic growth rate in 1983 was a prime reason for the sharp increase in U.S. imports from the non-OPEC developing countries to \$92.3 billion, some 24% over the previous year. The developing nations will reap even more substantial benefits from the vigorous growth of our economy in 1984.

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More than any other factor, however, the domestic policies of these countries will determine the strength and sustainability of their economies and their political institutions. Our foreign assistance can provide those critical incremental resources to help them achieve these objectives.

With this framework in mind, we have engaged in an exhaustive budget review process to assure that the sum of our resources and each individual component are the absolute minimum essential to implement and support our foreign policy.

Overview of 1986 Budget and 1985 Supplemental Request

The FY 1986 foreign assistance request totals \$14.8 billion, a \$300 million reduction from the FY 1985 Continuing Resolution level. As I will explain later, we have yet to determine the economic assistance level for Israel. When that assistance figure is eventually included, our request will be higher than the previous year. Economic assistance, which includes Development Assistance, PL 480, the Economic Support Fund, and contributions to multilateral development institutions, accounts for \$8.2 billion. Military assistance, which includes military grants, loans, and training, totals \$6.6 billion.

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Our FY 1986 foreign assistance request contains only one modest new initiative--an enhanced economic aid package for the Andean democracies of Ecuador, Peru and Bolivia. With that one exception, our 1986 budget request by and large represents a continuity program, reflecting both the overall fiscal constraints under which we are operating and the fact that many of our earlier initiatives--especially in Central America--are now well underway and beginning to show progress.

As in the past, the largest single component of our foreign assistance request is for Israel and Egypt--twenty eight percent (28%) of the total. This percentage, of course, will be higher when we include economic assistance funds for Israel. Assistance to base rights countries--Spain, Portugal, Greece, Turkey and the Philippines--accounts for an additional sixteen percent (16%), while military access and frontline states such as Korea and Thailand take up another thirteen percent (13%). Central America and the Caribbean represent another eleven percent of the request (11%). All other country programs account for only twelve percent (12%) of the total resources requested. This twelve percent, however, is spread among more than eighty separate countries and regional programs.

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Finally, contributions to multilateral development institutions and voluntary contributions to international organizations and programs make up ten percent (10%) of the request, with the remainder of the amounts requested going to the Peace Corps, migration and refugee assistance, international narcotics control activities and a number of smaller programs.

Turning to the specifics of our request, I would like to make the following brief observations:

-- In Development Assistance, we are requesting \$2.1 billion to attack serious conditions of poverty in Africa and Asia, Latin America and the Near East, and to help establish the basic conditions for economic progress. We place heavy emphasis on policy reform, greater use of the private sector, and on technology transfer to foster development breakthroughs. These economic programs are a critical aspect of our overall foreign policy objectives.

-- Closely related to the Development Assistance request is a request for \$1.3 billion in PL 480 for food assistance and balance of payments support to friendly governments. Food aid remains the centerpiece of the American people's humanitarian response to the tragic famine conditions in Africa.

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-- The \$2.8 billion requested for the Economic Support Fund is \$1 billion below the amount appropriated in the FY 1985 Continuing Resolution. This is due in part to the fact that we have deferred making any ESF request for Israel at this time. I will elaborate on the question of economic assistance to Israel later in my remarks.

-- Our request for military assistance--that is, direct Foreign Military Sales credits and grant MAP--is \$860 million more than was appropriated in 1985. Most of this increase, \$525 million, is accounted for by higher levels for Israel (\$1.8 billion as opposed to \$1.4 billion in 1985) and Egypt (\$1.3 billion as opposed to \$1.2 billion). In addition, our military assistance request for Turkey has been increased from the 1985 level of \$700 million to \$785 million. For the Philippines, we are requesting a \$75 million increase over the FY 1985 level.

In conjunction with our FY 1986 request, we are submitting two requests for supplemental appropriations in FY 1985.

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These include \$235 million in new budget authority to complete our \$1 billion package of relief for the victims of the famine that continues to devastate much of Sub-Saharan Africa. We are also requesting \$237 million to meet our arrearage payments to several multilateral development institutions.

III. The Regions

Latin America and the Caribbean

Mr. Chairman, nowhere has the linkage between foreign assistance and U.S. national interests -- and between democracy and economic opportunity -- been better illustrated than in Latin America and the Caribbean. The past year has provided clear evidence that democratic development, and the rejection of the Communist left and the far right, are the keys to enduring peace and improving standard of living for all.

Our policy of lending political, economic, and military assistance to pro-democratic forces is working. Let us look at the record.

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In 1979, four of the five Central American countries were undemocratic, but six years have produced dramatic change. Nicaragua remains under a dictatorship -- having traded a tyrant of the right for the tyranny of the left -- and Costa Rica remains thoroughly democratic -- though increasingly and justifiably concerned about its heavily armed Communist neighbor. But, an unprecedented transformation has taken place in the rest of Central America.

El Salvador has undergone the most dramatic change. As recently as a year ago, the country appeared caught in an endless war between guerrillas of the left and death squads of the right. But as the National Bipartisan Commission on Central America found, electoral democracy and political dialogue -- <u>not</u> externally imposed "power sharing" -- proved to be the practical basis for attacking the seamless web of El Salvador's political, economic, social, and security problems. In turn, increased economic and security assistance were necessary to give democracy, reform, and economic revitalization a fighting chance.

Last year demonstrated that President Duarte's course was most likely to lead to greater respect for human rights and a better life. The Salvadorans themselves made the point in two rounds of national elections in 1984.

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And they did it again in a different dimension when a civilian jury found five former National Guardsmen guilty of the murders of the four American churchwomen. Support for this democratic renewal was backed unanimously by the National Bipartisan Commission, by President Reagan, by a bipartisan majority in the Congress, and in Europe by Social Democrats as well as Christian Democrats.

It would be naive to claim that <u>all</u> is now reformed, centrist, and peaceful in El Salvador. But the progress <u>is</u> significant and undeniable. U.S. firmness on principle and steadfastness on behalf of our Salvadoran friends has had a lot to do with it.

The recent history of Guatemala exemplifies the strength of the currents of change in the region. The country often ranked as "the most polarized" or with the "least chance of democratic development" has confounded the conventional wisdom. The Constituent Assembly elections seven months ago were not only widely accepted as honest and open, but -- to the surprise of many -- revealed that centrist forces constitute the political majority. Elections for President, Vice President, Congress and local offices have been set for October. It is encouraging that the Guatemalans are moving in this direction almost exclusively on their own.

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There is one issue, however, on which considerable controversy still reigns: Nicaragua. While we are promoting democratic reform throughout Central America, the Sandinista leaders in Nicaragua are moving quickly, with Soviet-bloc and Cuban help, to consolidate their totalitarian power. Should they achieve this primary goal, we could confront a second Cuba in this hemisphere, this time on the Central American mainland -- with all the strategic dangers that this implies. If history is any guide, the Sandinistas would then intensify their efforts to undermine neighboring governments in the name of their revolutionary principles -- which Fidel Castro himself flatly reaffirmed on American television a few weeks ago. Needless to say, the first casualty of the consolidation of Sandidnista power would be the freedom and hopes for democracy of the Nicaraguan people. The second casualty would be the security of Nicaragua's neighbors, and the security of the entire region.

I do not believe anyone in the United States wants to see this dangerous scenario unfold. Yet there are those who would look the other way, imagining that the problem will disappear by itself. There are those who would grant the Sandinistas a peculiar kind of immunity in our legislation -- in effect, enacting the Brezhnev Doctrine into American law.

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The democratic forces in Nicaragua are on the front line in the struggle for progress, security, and freedom in Central America. Our active help for them is the best insurance that their efforts will be directed consistently and effectively toward these objectives.

Communist dictatorships feel free to aid and abet insuregencies in the spurious guise of supporting "liberation". Democracies, the true target of this threat, must not be inhibited from defending their interests and the cause of democracy itself.

Peace and economic development in Central America require both the reliability of multi-year funding and the confidence that this long-term commitment will continue to be tied to equity, reform, and freedom. Bipartisan support is essential if the Central America Initiative is to address the Bipartisan Commission's call for a commitment through 1989 to provide --in a consistent predictable way -- a balanced and mutually reinforcing mix of economic, political, diplomatic, and security activities.

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This initiative is designed to use economic aid, coupled with sufficient policy reform, to eliminate root causes of poverty and political unrest. Much work is already underway. Discussions are taking place with recipient countries concerning macro-economic adjustment. Progress has been made toward economic stabilization. Regional technical training programs will begin in April. We have begun to work with governments and non-governmental organizations seeking to improve the administration of justice. A trade credit insurance program has been set up through AID and the Export-Import Bank. The revival and strengthening of the Central American Bank for Economic Integration is being studied. And we are working to assist in the revival of the Central American Common Market.

The democratic trend in the Andean region has been equally impressive. All five countries have democratically elected governments. But like their Latin neighbors to the north, many of their economies are being seriously challenged.

Ecuador, Peru, and Bolivia, have been particularly hard hit by the recent global recession. Their difficulties have been exacerbated by catastrophic weather conditions, sagging prices for their main exports, and, in Peru, a vicious Maoist guerrilla movement.

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These countries deserve our help and it is in our interest to help them. We are proposing a special Andean program principally supported by \$70 million in Economic Support Funds to assist these countries in their recovery efforts.

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A democracy incapable of addressing major economic problems will be no more permanent than the dictators of the right or left that it has replaced.

We are encouraged that our neighbors in Latin America for the most part are taking the necessary and often painful steps to ensure economic revitalization. They have lowered government expenditures, bringing them in line with government income. They have restricted imports of non-essential goods to save foreign exchange. They have adjusted their exchange rates to reflect economic reality and breathe new life into their export sectors. They have worked with the international financial community to restructure their debts and ensure continued orderly debt servicing. They have reallocated scarce resources even as those resources fell.

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The efforts are beginning to show results. The trade balance for Latin America with the rest of the world has improved significantly, recovering from a negative \$2 billion in 1981 to an estimated positive \$37.6 billion in 1984. Vigorous U.S. economic growth in 1984 created new export opportunities. There also has been growth in real per capita income of about 0.2 percent in 1984 -- not much, but better than the decline of 5.8 percent in 1983 and 3.3 percent in 1982.

The Caribbean Basin Initiative is showing some positive signs. U.S. non-petroleum imports from the region for the first 11 months of 1984 were up 19 percent over 1983. The open U.S. market continues to offer substantial opportunities for the region's exports.

In Latin America and the Caribbean, I believe that the Administration and the Congress have reason to conclude that the policies we have been following the last four years are succeeding. The best option for the next four years is to continue these efforts based on firm, bipartisan support.

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The lessons from the recent past and the guidelines for the near future can be condensed into an assertion: The skeptics were wrong about El Salvador, they were wrong about Grenada, and they are wrong about Nicaragua -- and all for the same reasons. Mr. Chairman, what the Administration and the Congress have learned together in the past provides a mandate for the future. The Administration cannot fulfill that mandate without the active support of the Congress. If you and we do not stand firmly on principle and with our friends, we will both lose. A lack of policy consistency would be a significant obstacle to achieving our national objectives in this region over the next months and years.

Africa

I turn now from the promising developments in Latin America to a region where problems continue to be grave. Africa's desperate economic state is more in the public eye than it has ever been. I would like to devote the major portion of my discussion of Africa today to the economic crisis. In doing so, I do not mean to minimize the relationship between economic development and the national security of African states. Security assistance remains essential for many African countries. States threatened by Libyan adventurism or Soviet-armed hostile neighbors cannot devote the energy or resources necessary to economic development. And economically fragile societies are most vulnerable to subversion and attack.

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Our total FY 1986 request for Africa is just over \$1.2 billion. Of that amount 17% is for military-related assistance, roughly the same amount as in FY 85. The overwhelming majority - over one billion dollars - is for economic assistance. While the military component is small, it is nevertheless extremely important if we are to continue the programs of logistics support and training that we have started and if we are to provide the bare minimum in the way of defense equipment for our friends facing threats. The proximity of the Horn of Africa to the Middle East and vital oil shipping routes in the Red Sea and the Indian Ocean adds a critical strategic dimension to our interests in creating a politically stable and economically viable environment in the region. Consequently, we are seeking the resources necessary to assist Sudan, Kenya, Somalia, and Djibouti cope with their flat economies and to help Sudan and Somalia counter the very real threats to their security.

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In southern Africa we continue to work diligently toward a just and lasting settlement for Namibia based on UN Security Council Resolution 435, for continued change in the repugnant system of apartheid in South Africa, and for the economic and political stability of the region in general. The funds that we are requesting for programs in southern African countries will enable us to strike directly at the causes of the economic difficulties of the region. In southern Africa, as in East Africa, we intend to thwart the destabilizing influence of the Soviet Union and East Bloc by providing economic assistance and by offering an alternative to Soviet and East Bloc military assistance and training. Mozambique has demonstrated a real intent to move away from heavy dependence upon the Soviet Union and toward a position of true non-alignment. The small MAP and IMET programs for Mozambique are of particular importance in encouraging this process.

In West Africa we have recently seen the spread of both the effects of the drought and long-term economic stagnation and Libyan adventurism. Our assistance is targeted against both the near-term crisis and the long-range effects of the economic crisis.

I would like to focus specifically on the two most urgent crises facing Africa today: famine and economic stagnation. During recent months, untold thousands of Africans have perished. We estimate that some 14 million Africans remain at risk. If they are to survive, they need urgent assistance in terms of food, medical care, and shelter.

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There is also the broader problem of malnutrition. An estimated 20 percent of Africa's population eats less than the minimum needed to sustain good health. Africa is the only region in the world where per capita food production has declined over the past two decades -- a combination of a drop in productivity and rapidly growing population. Africa's food dependency on outside sources has been growing at an alarming pace, with African commercial imports of grain increasing at a rate of nine percent per year during the past twenty years.

In addition to the current severe food crisis, Africa's disappointing economic performance has made it difficult for most African countries to service their debt, propelling many countries from one financial crisis to another. The economic crisis has required that African nations regularly seek debt rescheduling. Ten of the fourteen Paris Club reschedulings in 1984 were for African countries.

The United States has mounted an unprecedented campaign to provide both economic and emergency food assistance to Africa In this effort, we have not allowed political or ideological differences with any government to weaken our determination to direct assistance to those in need. Since October of last year, we have committed more than \$400 million to send over one million tons of emergency food and other types of humanitarian assistance to Africa.

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If we add our regular AID food programs, then our total food assistance for Africa is even larger -- almost 600 million dollars thus far this fiscal year. Our current request for \$235 million in supplemental emergency funding for Africa will bring total food and emergency assistance this year to over \$1 billion. I think we can be justifiably proud of what we have been able to accomplish in such a short period of time. I assure you that our response will continue to be a generous one.

Equally impressive has been the direct response of the American people and the private sector. Through generous contributions to private voluntary agencies, many thousands of additional lives have been, and continue to be, saved. Volunteers for these agencies are directly involved in distributing food, medicines, clothing, and shelter and caring for drought victims in the most remote parts of Africa, enduring extreme hardships and even risking their own lives. Such humanitarian assistance is in the best tradition of America and the values for which America stands.

Public attention has focused on the immediate drought crisis, but it is apparent that Africa's economic difficulties have a profound origin that goes back many years.

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Drought has aggravated the problem, but is not the principal cause of Africa's economic crisis. Many of the African governments recognize that past policy failures have contributed to the current economic crisis. While we seek to address the immediate crisis, therefore, we must also seek more sustainable solutions to Africa's economic problems. The United States has been in the forefront of those seeking to help African countries move from a statist economic orientation to one which allows market forces to operate freely and which provides appropriate price incentives, particularly to the small farmers. Structural issues which are being addressed include inefficient parastatals, overvalued exchange rates, negative interest rates on bank deposits, uneconomic subsidies to consumers and artificially low prices to producers. In addition to the emergency assistance to meet the drought and famine needs, U.S. economic assistance levels for Africa have increased from \$787 million in FY 1981 to over \$1 billion in FY 1985; For FY 1986 we are again asking for a total of \$1 billion in economic aid. The Administration has established two new programs to assist African governments to undertake desirable reforms.

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Last year the Administration requested \$75 million in Development Assistance funding as the first step in a five year \$500 million program designed to provide additional financial support for selected African countries who are undertaking significant economic reforms. The Congress agreed to appropriate \$75 million but changed to the ESF "for programs or activities for Sub-Saharan Africa not previously justified'. The accompanying report language made it clear that this funding was provided in lieu of the Administration's request.

As we have notified the Congress, we are currently discussing use of these funds for possible programs with four African countries: Zambia, Malawi, Mali and Rwanda, and may choose a fifth country later. Congressional notifications outlining the proposed program in each country will be submitted as soon as possible. In each of these four countries our programs will facilitate and accelerate major policy reforms designed to stimulate economic growth through agricultural production and reduced governmental impediments to efficient utilization of limited economic resources.

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In our FY 86 budget submission we are seeking a second appropriation of \$75 million in ESF funds under the Africa Regional account. Economic reform has become a major part of our dialogue with all African countries, and facilitated with many aspects of our regular program. However, implementing some of these reforms requires timely support of flexible funds, not tied to other long-term projects. This is what this \$75 million is for. The experience of the past few months indicates that there is major international support for this program in Africa and in other donor countries.

The flexibility provided over this program has permitted us to have an impact on policies of donors and recipients alike which far exceeds the modest amount of funds involved in this request. I can think of no other single aspect of our assistance activities which more directly bears on the factors that have contributed to what is commonly called "the African Economic Crisis". An increasing number of African countries are beginning to alter in a fundamental way their national economic policies. Above all, the relevance of free market economies as opposed to statist solutions has become clear to African leaders as never before.

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I might just add that our perception of the roots of Africa's current economic crisis is widely shared by the international community. We are particularly pleased with the World Bank's latest report on sub-Saharan Africa and its stress on the need for economic reform to reverse Africa's economic decline. The World Bank recently launched its own Special Facility which will provide financial support to reform-minded countries -- a facility which complements and reinforces our efforts.

The "Food for Progress" initiative recently announced by the President is also targeted at achieving policy reform, but exclusively in the agricultural sector. This initiative would use food aid in strategically important African countries to promote reform in the key agricultural sector, stressing market approaches in agricultural pricing, marketing, and the supply and distribution of fertilizer, seeds and other agricultural inputs. One of the goals of the initiative is to supply American food to reform-minded countries on a multi-year basis. The sale of the commodities on the local economies would provide resources for the governments to use in supplying needed incentives and inputs to the farmers while easing the effects on urban consumers of moving toward a market economy. The details of this proposal, including funding levels and sources, will be transmitted to the Congress shortly.

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Near East and South Asia

One of the most important foreign policy goals of this Administration is to help achieve a lasting peace between Israel and its Arab neighbors. There are no quick and easy solutions for peace in the Middle East, but our assistance plays a crucial role in furthering the peace process.

In recent weeks, there appears to have been movement in the region of the type which, if sustained, could facilitate Jordanian entry into direct negotiations with Israel based on UN Security Council Resolution 242. Israel's Prime Minister Peres has welcomed Egyptian President Mubarak's call for direct negotiations between Israel and a Jordanian-Palestinian delegation. Saudi Arabia's King Fahd and President Reagan, in their recent discussions, agreed that a stable peace must provide security for all states in the area and for the exercise of the legitimate rights of the Palestinian people. We will support any practical effort to move the Arab-Israeli dispute to the negotiating table, the sooner the better.

Israel and Egypt remain our principal partners in the quest for peace, and these two nations would be the largest recipients of our proposed foreign assistance for Fiscal Year 1986. Our economic and military assistance programs are needed to strengthen Jordan's security and economy, both of which are vital to enable Jordan to confront the risks involved in playing a significant role in the peace process. Our relationships with Saudi Arabia and the Arab Gulf States are important elements in our efforts to advance the peace process and, as I will mention later, to protect our interest in the Persian Gulf.

The United States has a commitment to Israel's security extending over three decades. Our security assistance proposal aims to easing the onerous burden Israel shoulders in meeting its defense needs. The Fiscal Year 1986 Foreign Military Sales (FMS) program will enable Israel to maintain a qualitative military edge over potential adversaries in the region. Further progress towards peace depends in part on Israel having sufficient confidence in its ability to withstand external threats but also confidence in U.S. support and assistance. For these reasons, we are recommending a significant increase in Foreign Military Sales on a grant basis for Israel.

The U.S. and Israeli governments agreed last October to establish a Joint Economic Development Group to review economic developments in Israel, the role of U.S. assistance in support of the Israeli adjustment program, and Israeli longer-term development objectives. At a meeting in December, Israeli government officials presented the annual White Paper outlining Israeli economic objectives and assistance requirements for the remainder of this fiscal year and for FY 1986.

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Our security assistance is a reflection of the U.S. commitment to Israel's security and economic well-being. In addition, we have indicated our willingness to provide extraordinary assistance in support of a comprehensive Israeli economic program that deals effectively with the fundamental imbalances in the Israeli economy. Without such a reform program, however, additional U.S. assistance would not resolve Israel's economic problems but merely help perpetuate them. Moreover, without economic adjustment Israel will become even more dependent on U.S. assistance in the future. The Israeli government has made some considerable progress to date in developing an adjustment program. But further progress is necessary if their program is to put Israel back on the path of economic health and additional U.S. assistance is to serve a useful purpose. Accordingly, the Administration intends to hold open for the time being the amount and form of ESF which we will be requesting from the Congress pending further discussions with Israel and further evolution of its stabilization program.

Our discussions will continue to focus not only on short term stabilization measures, but also on Israel's longer range development objectives so that Israeli citizens can have confidence in a brighter, more prosperous future.

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We agreed during Prime Minister Peres' visit last October to work together to promote foreign investment in Israel, particularly in the high technology area where Israel has a comparative advantage. Both governments are examining existing programs and frameworks which might help to improve Israel's investment climate and attract venture capital from abroad. It is clear that in Israel's case -- as in other countries -mobilizing both domestic and foreign venture capital depends on an atmosphere that encourages private enterprise, appropriate tax structures and market pricing policies. Private sector initiatives hold the greatest promise for helping Israel achieve its development goals, and we are encouraged by the interest that has been generated in both countries. Our real objective is to support Israel's own efforts to seize the opportunity to establish the fundamental conditions for economic growth in an age of new technology.

The Camp David accords and the Egyptian-Israeli peace treaty remain the cornerstone of our Middle East peace policy. Egypt has demonstrated its firm commitment to those accomplishments by repeatedly refusing to disavow them as a price for resuming its historic leadership role in the Arab world. Our assistance helps ensure that Egypt will remain strong enough to continue to resist the pressures of radical forces which seek to undo what has been achieved.

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Egypt remains an important force for moderation and stability not only in the Middle East but also in Africa, where it plays an important role in helping African states deter Libyan adventurism. Egypt's ability to continue this deterrent role depends heavily on our assistance. The FY 1986 Foreign Military Sales Program has been increased to enable Egypt to continue replacing obsolete Soviet equipment and remain a credible deterrent force in the region.

Another major U.S. interest in the Middle East is to maintain free world access to the vital oil supplies of the Persian Gulf now and in the future. The Persian Gulf countries produce over 25% of the free world's oil supply. Through our assistance, we help to improve the security of our friends in this area. Oman is cooperating closely with the U.S. toward our common goal of maintaining security and stability in that vital area and freedom of navigation through the Strait of Hormuz; Oman's agreement to permit access to its facilities represents a key asset for the U.S. Central Command. Although not recipients of U.S. financial assistance, the other Gulf states and Saudi Arabia, as members with Oman in the Gulf Cooperation Council, have shown the will and the ability to defend themselves against encroachment of the Iran-Iraq war.

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The Administration is embarking on a comprehensive review of our security interests and strategy in the area, focusing on how our various programs in the security field complement our efforts in the peace process and contribute to the general stability of the region.

In North Africa we have longstanding and close relationships with Morocco and Tunisia as firm friends and strategically located geo-political partners. Morocco, with whom we have transit and exercise agreements, and Tunisia are both in difficult economic circumstances. Our assistance program in Morocco, in concert with other donors, is designed to help the Moroccan Government as it implements necessary economic reforms. We have expressed to the Government of Morocco our disappointment over the unwelcome development of the Libya-Morocco treaty of August 1984. Qadhafi's aggression against neighboring states and his undiminished support of terrorism and subversion worldwide are continuing causes of concern. We have registered these concerns with the Moroccans and told them that we discount the possibility that association with King Hassan could influence Qadhafi constructively. Despite differing views on how to deal with Qadhafi, however, the economic and political rationale for this assistance to Morocco remains; indeed it is stronger.

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South Asia

A major foreign policy objective in South Asia is to obtain a negotiated settlement to get the Soviet Union out of Afghanistan so that the refugees can return and Afghans can exercise their own sovereignty and independence. In our efforts to achieve this goal, it is vital that we help ensure the security of Pakistan in the face of Soviet intimidation. Our six-year assistance program for Pakistan serves this goal. It is designed to support Pakistan's economy and its development and to help strengthen its defenses through provision of military equipment and training.

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The U.S. has several important goals in South Asia. We seek to prevent conflict among the major states of the region; to help the region develop economically, and to foster the success of democratic institutions. India, the largest democracy in the world, plays a pivotal role in the peace and stability of the region. Our development assistance program for India will concentrate on more sophisticated research and higher technical training, building on India's strong scientific and technological base. Our assistance programs in Bangladesh, Sri Lanka and Nepal demonstrate U.S. support for the moderate non-aligned policies and economic development of these countries.

Europe

Security assistance proposals for the European region are designed to redress the military imbalance in Europe and counter the increased Soviet military threat in Central Europe and in Southwest Asia. The assistance supports key NATO allies and has the dual result of providing the U.S. with continued access to important military bases and helping these countries modernize their own military capabilities. By so doing, our security assistance sustains confidence in our best efforts commitments which are the foundation of base agreements.

U.S. foreign policy objectives in Spain are to support Spanish democracy, to encourage Spanish movement towards a more open economy, and to contribute to Western defense by assuring continued U.S. access to vital air and naval facilities in Spain. The security assistance program plays a key role in achieving these objectives.

The Spanish military has assumed a role appropriate for armed forces in a democracy. Our assistance is necessary to help Spain meet its goal of modernization to NATO standards and to provide tangible evidence of the benefits Spain receives as a partner in the Western alliance, as demonstrated by its bilateral relationship with the U.S. as well as its participation in NATO.

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Our security assistance program thus plays an important role in helping Spain to consolidate and strengthen its new democratic institutions.

Prime Minister Gonzalez' government has taken politically difficult steps to open Spain's traditionally protectionist economy to market forces. This decision was particularly courageous since Spain's economic austerity program has been accompanied by high unemployment. But as a result, the Spanish economy has shown impressive improvement in 1984. Its economic program would have placed a much more onerous burden on the Spanish people without our support. The security assistance program helps in modernizing the economy through scientific and technical exchanges and permits Spain to continue its economic recovery without jeopardizing its military modernization.

Our objectives in Portugal are similar to those in Spain. Portugal is striving to consolidate its 10-year-old democratic institutions while it assumes an expanded role in western political and military structures. It is also pursuing a demanding economic austerity program in an attempt to reform its troubled economy, which is the second poorest in western Europe. The U.S. security assistance program assists Portuguese economic development efforts and permits Portugal to continue its program of military modernization aimed at assuming expanded NATO defense responsibilities.

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U.S. security assistance to Portugal therefore provides both real and symbolic support for Portugal's attempt to strengthen its democracy and free-market economy. It provides a cornerstone for Portugal's attempts to play a more effective role in NATO. It also serves to meet the assistance goals to which the U.S. is committed under the 1983 agreement.

Our security assistance to Greece and Turkey contributes to important strategic policy objectives on the southern flank of NATO. Turkey's position between the Soviet Union and the Middle East and proximity to southwest Asia make it a natural barrier to Soviet expansion into the Middle East and the Persian Gulf. The Soviet invasion of Afghanistan, the Iran-Iraq War and the disintegration of Lebanon highlight the importance of a politically stable and militarily credible Turkish ally in this disturbed region. We also benefit from our military relationship with Turkey by our use of extremely valuable military and intelligence facilities. The United States accordingly has a compelling interest in enhancing Turkey's ability to meet its NATO commitments and deter potential aggression in Southwest Asia through provision of security assistance.

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Our interests are not confined to NATO security objectives. We have sought the cooperation of the Turkish Government in promoting a settlement on Cyprus. The Turkish Government accepted and supported the U.N. Secretary General's initiative. We are now working with all the parties to ensure that efforts in the wake of the recent summit in New York to reach a settlement between the Government of Cyprus and the Turkish Cypriot community can move forward. Accordingly, we believe that any attempt at one-sided efforts to impose conditions regarding Cyprus on security assistance to Turkey would not only be unwarranted but would set back the prospects of a settlement on Cyprus.

On the economic side, Turkey has taken far-reaching and courageous steps to stabilize and liberalize its economy. U.S. concessional aid to Turkey is directly and constructively related to Turkey's efforts to create a freer and more sound economy.

We are also seeking a substantial level of security assistance for Greece. We have our differences with the Greek government. We want a better relationship with Greece, but the Greek government has to do its part as well. We recognize Greece's strategic importance in the eastern Mediterranean. We derive important benefits from our military facilities.

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Our security assistance program is an important element in our relationship with Greece. It is exceeded only by our request for Israel, Egypt, Turkey and Pakistan.

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East Asia and Pacific

Foreign assistance is an investment in the future that can benefit both recipient and donor. This is particularly evident in the East Asia and Pacific region where the returns paid on our foreign assistance investment have been enormous. For some 20 years East Asian countries have achieved higher economic growth rates than any other region of the world. They have achieved these remarkable results principally by relying on the dynamism of free market systems. As a result of this rapid economic growth, the region now accounts for more of our foreign trade than any other region of the world. Since former aid recipients in the region have reached the stage of development where they no longer need bilateral aid, and in some cases have become aid donors themselves, East Asia and Pacific countries now account for only a small portion of our worldwide assistance programs despite the vital importance of the region to the United States.

In spite of this generally bright picture, the region still has pressing economic and security problems that we must confront. The Administration's FY 1986 foreign assistance request for East Asia and the Pacific that addresses these problems totals approximately \$818 million. The requested economic assistance of \$335 million will be concentrated in the three largest members of the Association of South East Asian Nations, the Philippines, Indonesia, and Thailand. The bulk of the \$483 million requested for military assistance will go to deter direct military threats to Korea and Thailand and to enhance our close military relationship with the Philippines, a treaty ally. We also propose modest assistance programs in other ASEAN countries, in Burma, a country that has become increasingly important to our anti-narcotics efforts, and in the islands of the South Pacific. I would like to highlight some of our specific concerns.

The Philippines has passed through difficult times that have adversely affected the economy. The government has begun to take corrective measures and has concluded an economic stabilization agreement with the International Monetary Fund. These actions are encouraging, but more has to be done to turn the economy around. The Philippine situation is further clouded by a growing armed insurgency by the New People's Army, the military arm of the Communist Party of the Philippines, which has been able to exploit the country's political, economic, and social difficulties.

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The revitalization of democratic institutions, the establishment of long-term growth through structural economic reform, the maintenance of our vital security relationship, and the successful resistance to a communist takeover of the Philippines are intertwined. Our integrated economic and military assistance program is designed to support all of these objectives.

Like the Philippines, Thailand is a treaty ally of the United States. It is also a front-line state that faces serious security challenges caused by Soviet supported Vietnamese aggression in neighboring Cambodia. Our security assistance to Thailand supports the government's efforts to improve social and economic conditions in the war-affected Thai-Cambodian border areas that have experienced a large influx of refugees because of continued brutal attacks by Vietnam. The on-going Vietnamese military offensive along the Thai-Cambodian border and frequent Vietnamese forays into Thailand underscore the importance of modernizing Thailand's defense forces to provide a deterrent to further Vietnamese aggression.

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The specific efforts of the Philippines and Thailand are reinforced by their membership in ASEAN, which represents the best hope for peace and stability in Southeast Asia. Consistent with our strong support for ASEAN and in recognition of the importance of our relationship with Indonesia, we have also proposed economic and military assistance for that nation. Indonesia has continued to make good progress in its development program and maintaining sound economic policies in the face of an international recession. Our military sales to Indonesia have enhanced our common strategic interests in Southeast Asia. We also plan to continue the ASEAN regional technical assistance program. In another ASEAN member, Malaysia, where U.S. private investment continues to be a major catalyst of economic growth and development, the government has expressed interest in continued defense cooperation with the United States within the context of that nation's non-aligned status. Malaysia has played a constructive role in international affairs and has forcefully advanced ASEAN's strategy to bring about a withdrawal of Vietnamese forces from Cambodia. We propose to continue our modest military assistance program in support of these efforts.

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Another important U.S. treaty ally is the Republic of Korea. The prevention of North Korean aggression against South Korea is indispensable for peace and stability in the region and important to our own security. So far we have been successful in deterring aggression and preventing a recurrence of hostilities on the Korean peninsula. To maintain our support for the U.S.-ROK alliance we propose to continue an FMS credit program that will permit the ROK to improve the capabilities of its combat forces, many of which are stationed with our own forces along the DMZ and would operate with us under a joint command in time of war.

Multilateral Development Programs

Thus far I have stressed the vital role American bilateral assistance plays in promoting the security and stability of the developing world. As I am sure each of you appreciates, this task is far too great for one country to attempt to do alone. Fortunately, we do not have to. Our friends and allies in the industrialized world devote a considerable amount of their resources to the task of promoting the development process, which in turn yields dividends in the expansion of economic trade and strengthening of democratic institutions. These resources are becoming too scarce to allow for inefficient use of any kind. A coordinated approach among donors has always been desirable. It is now critical.

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The principal tool available for such coordination is the pooling of a portion of our economic assistance through the multilateral development banks (MDBs) and the development programs of the United Nations and the Organization of the American States. MDB lending remains a significant and growing source of investment capital for developing countries. In FY 84, MDBs together committed \$22 billion in new loans. That a lending program of this size was sustained with a U.S. paid-in contribution of \$1.3 billion testifies to the advantages of using the MDBs to share the burden of providing aid. The U.S. benefits directly from the MDB's' efforts to promote strong and sustained progress in the developing countries through increased sales of U.S. goods and services. Indeed, a significant portion of the U.S. trade deficit can be attributed to the decline in purchases by debt-troubled developing countries, a decline which appropriate development assistance can help reverse.

While valuable as a source of development finance, the MDBs play an equally critical role by providing sound market-oriented economic policy advice to their borrowers.

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They also impose financial discipline on the development objectives of their clients. These institutions are devoting increasing resources to projects and programs designed to support private enterprise in the developing world. For many years, the World Bank's special affiliate, the International Finance Corporation, has focussed on the specific needs of the private sector. The regional development banks are beginning to follow the World Bank's lead. The strengthened commitment on the part of these institutions to private enterprise may prove to be one of the most important factors in supporting a successful development process.

We are convinced that the MDBs have a crucial role to play in advancing world-wide growth and development, and increasing the private sector contribution to that process. We thus consider our participation in them a necessary complement to our bilateral assistance policy. In recent years this Administration, acting in close consultation with the Congress, has sought to reduce the cost to us of providing an effective level of support to these institutions, while maintaining U.S. leadership. We have been successful in negotiating overall replenishment levels which we believe are adequate to the needs of borrowing members but also take into consideration our budgetary constraints.

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Maintaining U.S. leadership, however, depends on our meeting these obligations in a timely manner. I, therefore, urge Congress to support fully both our FY 86 request for \$1.3 billion and our FY 85 Supplemental request for \$237 million.

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The United Nations and OAS programs for development also make valuable contributions to the development process. The role of institutions such as the United Nations Development Program (UNDP), the World Food Program (WFP), and UNICEF have complemented our bilateral efforts. We support these programs and continuously and forcefully seek to improve their effectiveness and efficiency.

Summary

In closing, Mr. Chairman, I would like to emphasize the basic theme of this year's budget presentation. We have a responsibility to stick with the policies that have worked or begun to work. Quick fixes, pulling back from the fray, or hoping for diplomatic miracles are not responsible options. But if we stand together, firmly, predictably and realistically defending our principles and our friends, and do so in the steadfast manner the problems require, then we can prevail. Our FY 1986 budget request is designed to do just that. DEPARTMENT OF STATE

March 7, 1985 NO. 43

MAX M. KAMPELMAN SWORN IN AS HEAD OF THE U.S. DELEGATION AND U.S. NEGOTIATOR ON SPACE AND DEFENSIVE ARMS MARCH 7, 1985

Max M. Kampelman, a partner in the law firm of Fried, Frank, Harris, Shriver & Kampelman, with offices in New York, Washington and London, has lived and worked in Washington since 1949. He has had an active career in the law, government service, education and public affairs. Most recently, appointed by President Carter and reappointed by President Reagan, he served as Ambassador and Head of the U.S. Delegation to the Conference on Security and Cooperation in Europe, which took place in Madrid from 1980 to 1983. He continues to serve as a consultant to the Department of State. He previously was a Senior Advisor to the U.S. Delegation to the United Nations and served as Legislative Counsel to U.S. Senator Hubert H. Humphrey.

An educator, he received his J.D. from New York University and his Ph.D. in Political Science from the University of Minnesota, where he taught from 1946 to 1948. He has also served on the faculties of Bennington College, Claremont College, the University of Wisconsin, and Howard University. He continues to lecture frequently here and abroad and has written extensively in scholarly and public affairs journals. He has served on the governing boards of Georgetown University, the Hebrew University of Jerusalem, Haifa University, the University of Tel Aviv, New York University School of Law, Mt. Vernon College, and the College of the Virgin Islands. He has received honorary Doctorate degrees from Georgetown University, the Hebrew University of Jerusalem and Hebrew Union College.

Ambassador Kampelman was the founder and moderator of the public affairs program on public television, "Washington Week in Review." He served as chairman of the Washington public broadcasting radio and television stations from 1963 to 1970.

He serves as Chairman of Freedom House and is currently Vice Chairman of the Coalition for a Democratic Majority, a member of the Executive Committee of the Committee on the Present Danger, Honorary Vice Chairman of the Anti-Defamation League, Chairman of the National Advisory Committee of the American Jewish Committee, and Vice President of the Jewish Publication Society.



March 7, 1985 NO. 44

MAYNARD W. GLITMAN SWORN IN AS U.S. NEGOTIATOR ON INTERMEDIATE RANGE NUCLEAR ARMS MARCH 7, 1985

Mr. Glitman joined the Foreign Service in 1956. He was first assigned as an economic officer in the Department. From 1959 to 1961 he was consular and economic officer in Nassau and, from 1961 to 1965, he served as economic officer in the Embassy in Ottawa. After taking Atlantic affairs studies at the University of California in 1965-66, he was assigned as senior economic officer in the Bureau of European and Canadian affairs. He later was adviser on European affairs, US mission to the United Nations, 1967-68; staff officer, National Security Council, 1968; and political officer in Paris, 1968-1973. Mr. Glitman returned to Washington in 1973 to become Director, Office of International Trade, in the Bureau of Economic and Business Affairs. After a year in that post, he became the Bureau's Deputy Assistant secretary for International Trade Policy, serving until 1976.

He was then detailed to the Department of Defense as Deputy Assistant Secretary for International Security Affairs. He served there until 1977. Mr. Glitman was then assigned as deputy chief of mission, US mission to NATO, Brussels, 1977-81. In 1981 he was named the State Department's representative and deputy head of the US delegation to the intermediate-range nuclear force negotiations in Geneva, with the rank of ambassador. In 1984 he was selected as the US representative for the mutual and balanced force reductions negotiations, also with the rank of ambassador.

Mr. Glitman was born in Chicago on December 8, 1933. He received a bachelor's degree from the University of Illinois in 1955, and a master's degree from the Fletcher school of Law and Diplomacy in 1956. He was named to Phi Beta Kappa, University of Illinois, in 1955. He served with the Army in 1957. Mr. Glitman has won the the Department of Defense Outstanding Public Service Medal, 1977, and its Distinguished Public Service Medal, 1980. His foreign language is French. He is married to G. Christine Amundsen Glitman; they have three sons, Russell, Erik and Matthew, and two daughters, Karen and Rebecca.



March 7, 1985 No. 45

JOHN TOWER SWORN IN AS U.S. NEGOTIATOR ON STRATEGIC NUCLEAR ARMS March 7, 1985

John Tower was sworn in today as U.S. Negotiator on Strategic Nuclear Arms.

John Tower was born September 29, 1925, in Houston, Texas. Shortly after the outbreak of World War II, he enlisted in the U.S. Navy, at the age of 17, and saw combat on a gunboat in the western Pacific. He is a Master Chief Petty Officer in the naval reserve.

Ambassador Tower received a Bachelor's Degree in political science from Southwestern University (1948), Georgetown, Texas, a Master's Degree in political science from Southern Methodist University (1953), and did graduate work at the London School of Economics and Political Science. He was a professor of government at Midwestern University (Wichita Falls, Texas) from 1951 to 1960.

In 1961, he won a special election for the Senate seat vacated by Lyndon B. Johnson and was reelected U.S. Senator from Texas in 1966, 1972, and 1978. As a Senator, he served as Chairman of the Senate Armed Services Committee and the Senate Republican Policy Committee. He also served on the Banking, Housing and Urban Affairs Committee and the Budget Committee. He retired from the Senate January 3, 1985.

Ambassador Tower is a 33rd-degree Mason and Shriner and is a member of the American Association of University Professors, the American Legion, the Texas Historical Society, the Texas Philosophical Society, and the Methodist Church. He is also a trustee of Southwestern University and SMU and a past Worthy Grand Master of Kappa Sigma fraternity.



March 8, 1985 No. 46

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PROGRAM FOR THE OFFICIAL WORKING VISIT TO WASHINGTON, D.C. OF HIS EXCELLENCY MOHAMED HOSNI MUBARAK, PRESIDENT OF THE ARAB REPUBLIC OF EGYPT AND MRS. MUBARAK.

March 9-13, 1985

Saturday, March 9	
3:00 p.m.	His Excellency Mohamed Hosni Mubarak, President of the Arab Republic of Egypt, Mrs. Mubarak and their party arrive Andrews Air Force Base via Egyptian Presidential Aircraft.
3:15 p.m.	Arrival Washington Monument Grounds (Reflecting Pool Side).
	The Honorable George P. Shultz, Secretary of State, and Mrs. Shultz will greet the party on arrival.
3:35 p.m.	Arrival Madison Hotel, 15th and M Streets, Northwest.
	Private afternoon and evening.
Sunday, March 10	
	Private day.
Monday, March 11	
11:00 a.m.	President Mubarak will meet with The Honorable Caspar Weinberger, Secretary of Defense, Madison Hotel, Room 207.
	PHOTO COVERAGE: Photographers to be on 2nd. floor of hotel no later than 15 minutes before scheduled meeting.
	S/CPR - Mary Masserini, Madison Hotel - Protocol Office, 862-1600 Ext. 1501

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Monday, March 11 (continued)

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PRESIDENT MUBARAK WILL MEET WITH THE FOLLOWING AT THE MADISON HOTEL:

		PRESIDENTIAL SUITE
12:00	Noon	The Honorable A. W. Clausen, President, World Bank.
		ROOM 207
2:00	p.m.	The Honorable James Baker III, Secretary of the Treasury.
		The Honorable William E. Brock, United States Trade Representative.
		The Honorable Lionel H. Olmer, Under Secretary of Commerce for International ^T rade.
		The Honorable Richard W. Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs.
		The Honorable Jay Morris, Deputy Administrator, Agency for International Development.
		PRESIDENTIAL SUITE
4:00	p.m.	The Honorable George P. Shultz, Secretary of State.
		MONTICELLO ROOM
5:30	p.m.	Members of the Council of Presidents of Major Jewish Organizations.
		EXFCUTIVE CHAMBERS 2&3
6:30	p.m.	Members of the Black Caucus.
		PRESIDENTIAL SUITE
7:30	p.m.	The Honorable Jacques de Larosiere, Managing Director, International Monetary Fund.
		PHOTO COVERAGE OF ALL ABOVE MEETINGS, PHOTO- GRAPHERS TO BE ON RESPECTIVE FLOORS NO LATER THAN 15 MINUTES BEFORE SCHEDULED MEETINGS.

Private dinner.

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3 Tuesday, March 12 Private morning. 11:30 a.m. President Mubarak will meet with President Reagan at the White House. At the conclusion of the meeting, President Reagan will host a working luncheon in honor of President Mubarak, Old Family Dining Room, White House. 3:00 p.m. President Mubarak will meet with Members of the House Foreign Affairs Committee, Rayburn House Office Building, Room 2172. 7:30 p.m. The Honorable George Bush, Vice President of the United States, and Mrs. Bush will host a dinner in honor of His Excellency Mohamed Hosni Mubarak, President of the Arab Republic of Egypt, and Mrs. Mubarak, Department of State, Thomas Jefferson Room. Business suit. Dress: Wednesday, March 13 10:30 a.m. President Mubarak will meet with The Honorable Cyrus R. Vance, former Secretary of State, Madison Hotel, Presidential Suite. PHOTO COVERAGE; Photographers to be on 15th floor of hotel 15 minutes before scheduled meeting. 12:00 Noon Members of the National Press Club will host a luncheon in honor of President Mubarak, National Press Club Building, 529-14th Street, Northwest. Private afternoon. 6:00 p.m. The American Chamber of Commerce in Egypt and the Egypt-United States Business Council will host a Reception in honor of His Excellency Hosni Mubarak, President of the Arab Republic of Egypt, J.W. Marriott Hotel, Grand Ballroom. President Mubarak will be presented with the "Man of Progress Award". PRESS CONTACTS: Mr. Jay Devine, Mr. Jim Harff, 387-1080

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Wednesday, March 13(continued)

8:10 p.m.	President Mubarak, Mrs. Mubarak and their party depart Madison Hotel enroute Andrews Air Force Base, Maryland via motorcade.
8:35 p.m.	Arrival Andrews Air Force Base.
8:45 p.m.	Departure from Andrews Air Force Base via Egyptian Presidential Aircraft enroute London, England.

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NOTE

Recognized Credentials for Coverage of Events:

White House, State Department, U.S. Capitol, U.S.I.A.,

and

Egyptian Visiting Press Pass.



March 8, 1985 NO. 47

> STATEMENT ON BEHALF OF THE HONORABLE GEORGE P. SHULTZ SECRETARY OF STATE WASHINGTON, D.C. MARCH 7, 1985

I am angered and saddened by the murders of DEA Special Agent Enrique Camarena and his Mexican associate Alfredo Zavala Avelar, who were kidnapped by drug traffickers in Mexico on February 7.

To Mrs. Camarena and her three sons, and to Mrs. Zavala and her family, I extend my heartfelt sympathy on their terrible loss.

To our colleagues in the Drug Enforcement Administration I extend our solidarity and sympathy on the loss of a dedicated, brave, and honorable man who gave his life in the battle against the malignant evil of narcotics trafficking. I reiterate my support for your continuing battle against drug traffickers.

To the Government of Mexico, I offer condolences on the death of Mr. Zavala and on the deaths of valiant Mexican police officers who have lost their lives at the hands of narcotics traffickers.

These sickening murders underscore the grave challenge which international narcotics trafficking present to the lives and well being of the peoples of the United States, Mexico and elsewhere around the world. Such attacks serve only to strengthen and increase our resolve in the war against drugs. We will continue to work closely with the Government of Mexico and other governments threatened by the drug trade to eliminate this menace to our societies.



March 12, 1985 NO. 48

> INTERVIEW OF THE HONORABLE GEORGE P. SHULTZ SECRETARY OF STATE ON ABC-TV EVENING NEWS WASHINGTON, D.C. March 11, 1985

PETER JENNINGS: Mr. Secretary, thank you for taking the time. Why did the President decide not to go to Moscow?

SECRETARY SHULTZ: Well, first of all, the President is transmitting to the Soviet Union his desire to see a constructive relationship emerge with them. As far as going to Moscow is concerned, of course, he would have had only a very limited amount of time with Mr. Gorbachev, necessarily, because of so many other people there, and there is such a big amount for the Soviets to do. So I think when he meets with him, he'll want to have more time to really get into things.

MR. JENNINGS: Would this not, however, have been a good opportunity to get in on the ground floor and say, "Hey, here I am, here's the peace I've written you about"?

SECRETARY SHULTZ: Well, we're on the ground floor in the sense that, as everybody knows, it's extremely important to have a constructive relationship, if it can be found, between the U.S. and the Soviet Union. And I'm sure that they will understand that.

MR. JENNINGS: You did make a reference to "when" the President meets with Mr. Gorbachev. Do you think the idea of an early summit meeting is a good one?

SECRETARY SHULTZ: Well, if it is possible to arrange it, I think it might be constructive, yes.

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MR. JENNINGS: Why would it not be possible to arrange it?

SECRETARY SHULTZ: People are busy and Mr. Gorbachev has a lot of work to do, I assume, in establishing himself in his new role, and there are many problems to contend with. But at any rate, if the two men can meet, I think that would be, probably, a good thing.

MR. JENNINGS: Has the President, or have you, extended an interest to the Soviets in sitting down as quickly as possible?

SECRETARY SHULTZ: Well, the President said today, publicly, that he hoped that he would have a chance to meet Mr. Gorbachev before long. But at any rate, we'll have a chance, I'm sure, to meet with him, the Vice President and I, and Ambassador Hartman, and to talk about the full range of our dealings.

MR. JENNINGS: What's the first thing you are looking for from the new Soviet leader himself?

SECRETARY SHULTZ: Well, I think the sort of attitude that he transmits and the feeling that you get from talking with someone about how they are going to approach things. But of course, it's true that there is a continuity here, there is a collective leadership. And so we'll have to assume that what's there now Mr. Gorbachev had a hand in putting there, and it no doubt does represent his views. So we can read a little bit of the future from the present.

MR. JENNINGS: In a phrase: On what you know today, are you encouraged?

SECRETARY SHULTZ: I think it is an important moment, with a new leader in the Soviet Union, with arms reduction talks just getting started in Geneva, with the President of the United States starting a second term, looking ahead for four years, and with a great deal having been done in the last year, in bits and pieces here and there, to try to improve this relationship. So, it's an important moment, and from the United States' standpoint, we will do everything we can to take full advantage of it.

MR. JENNINGS: Mr. Secretary, thank you for joining us. SECRETARY SHULTZ: Thank you.



March 14, 1985 NO. 49

PRESS BRIEFING BY THE HONORABLE GEORGE P. SHULTZ SECRETARY OF STATE TO REGIONAL TV, RADIO AND NEWSPAPER ORGANIZATIONS Old Executive Office Building Washington, DC March 11, 1985

SECRETARY SHULTZ: (Inaudible) early this morning of the passing of General Secretary Chernenko. The President has sent to the Soviet leadership a message of condolence and 1 have similarly expressed my condolence to Foreign Minister Gromyko. I think it is an occasion, particularly since I've just been told of an announcement from TASS that Mr. Gorbachev has been elected as the General Secretary or named General Secretary.

It is a moment of transition in the Soviet Union. It is a moment when negotiations for arms reductions are about to begin in Geneva. And so it is a moment when we need to pause and reflect and position ourselves to do as much as we can to develop and sustain a constructive relationship with the Soviet Union — certainly in the fields of arms reduction, but also in the many other aspects of life in which these two countries interact. I'm sure that is the President's intent and certainly mine and, I believe, the general wish of the American people.

Part of that effort, of course, is to be prepared to discuss outstanding problems and to try to resolve them in a sensible way from our standpoint; recognizing that agreements between two parties are not agreements unless they reflect some give-and-take; that is, they have to be in the mutual interests of both parties. We also know that it is important always, and particularly at a moment of possible transition, to remind ourselves that there is a reality in which we have two countries with different systems that don't see things the same way. There is a reality that we must keep before us. That reality means that the United States must be careful that we develop and maintain the strength to defend our values, to defend our interests, and to work successfully with our allies to that end.

We will all be looking to this period ahead as one in which it is possible that a continuation of the constructive trend that has been in place now; perhaps hesitatingly, but nevertheless definitely in place; symbolized and made concrete by the agreement for the resumption of arms control talks. We will be working to pursue that possibility. Perhaps that effort, if matched by a similar effort from the Soviet side, can produce something that will make us all feel more comfortable. I hope so. Again, let me take this occasion to express my condolences to the people of the Soviet Union and particularly in my case, to my counterpart, Foreign Minister Gromyko, on the death of General Secretary Chernenko.

QUESTION: Mr. Secretary, last week Cuba published a statement -- 14 points -- saying that they would comply with Ortega's decision to withdraw 100 Cubans. But if after May the United States will continue to harass and fight the withdrawal of the Sandinista government, he will reserve the right to send any quantity or number of technicians or military people that Nicaragua chooses. Do you have any reaction to that? Is that a blackmail to the United States?

VOICE: Mr. Secretary ---

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SECRETARY SHULTZ: It illustrates a problem ---

VOICE: The guestion?

SECRETARY SHULTZ: Well, it was about Nicaragua, Cuba, and Central America. I guess you can pull that into this press conference by the ears, as everybody does, and let me try to make it relevant for you. I think the relevance is that Cuba is supported by the Soviet Union and Nicaragua, in its present regime, is supported by the Soviet Union and Cuba.

The direction of their activity is a direction, we believe, of wanting to have a Soviet-style totalitarian state placed in Central America. The President and I, and I think an increasing number of Americans, don't think that's a good

idea. So we resist. Now whether the Cubans take out a hundred people or not: if they take them out, that's good. We estimate that there are thousands there and so it's not that big a deal.

The agreement of the Nicaraguans and then the delivery of the hostage that they took, against all diplomatic tradition, from the Costa Rican Embassy in Managua, has at least opened the way for the Contadora talks to resume. And so that's positive development, although it's one of those activities where somebody does something bad, and then they say it's wonderful that I've stopped doing something bad and you can cheer about it, but it's a restrained cheer.

We are prepared to work for peace in Central America, but a peace that we think has some stability potentially in it. There is no stability if we have a regime that is bent on upsetting its neighborhood, and that's what we object to. Now, perhaps we could have some questions relevant to the topic that was announced here?

QUESIION: Yes, will the President be going to Mr. Chernenko's funeral?

SECRETARY SHULTZ: No. It's been announced that the Vice President will lead the American delegation to the Funeral. All details haven't been worked out and we haven't information from the Soviet authorities yet as to exactly the structure. They have announced that the funeral will be at 1 o'clock in the afternoon in Moscow, Moscow time.

QUESIION: Mr. Secretary, do you see easier days ahead under Gorbachev than we saw under Chernenko or his predecessors? Do you see easier days ahead in our U.S. relations with the U.S.S.R.?

SECRETARY SHULTZ: What we can have an impact on is what we do and the attitudes that we bring to the dialogue with the Soviet Union. What change there may be remains to be seen; but from our standpoint, it's important for us to continue to be realistic. It's important for us to continue to be strong and it's important for us to continue to be ready for a constructive dialogue. The more ready the Soviet Union is, the more things can progress. Mr. Gorbachev seems to be a dynamic and a strong person. If he is designated the leader, as he apparently has been, we hope that we will have a chance to engage with him and work constructively with him.

QUESTION: Mr. Secretary, with a much younger leader like Mr. Gorbachev, who obviously has been consolidating his power for awhile as was read in the announcement today; does that mean we might finally have a sense of continuity in dealing with the Soviets -- somebody who may be there awhile?

SECRETARY SHULTZ: From our standpoint we regard the Soviet government as having been a functioning government and a government capable of deciding things. We will deal with whoever the Soviet system produces as the leadership. I do have the feeling; and it certainly was said by Mr. Shcherbitskiy, for instance, most recently when he was here; that decisions that have been made in recent times have been collective decisions; that is, the Politburo group has all weighed in on them. At least that's what he has told us and so presumably Mr. Gorbachev was very much a part of that process. He has been designated as the second-in-command and agrees with the flow of decisions leading to the resumption of arms control talks that are starting up in Geneva. He, so far as we know, is not sick. He's a vigorous, young man and so we expect to be dealing with him as the future unfolds.

QUESFION: Mr. Secretary, in light of what you've just described about collective decision making, should we assume from that that there really won't be any significant changes early on in terms of relations between the U.S. and the Soviet Union?

SECRETARY SHUETZ: Well, I said that I assume that there has been collective decision-making. That is what we have been told and so that would presume some continuity here. But, as I say again, I think it is much more important for us to be clear in our analysis, in our objectives, and in our commitment to have a constructive stance and to be ready to meet and try to influence what comes because of that; than it is to speculate about what may be happening in the Soviet Union and, in any way, to adjust our stance to what we think may be theirs, because we can be wrong because our knowledge is not as large as we might like it to be.

I hear, for example, occasionally, an argument made by somebody or I read an article that somebody writes saying that the Soviet Union is obviously not serious about arms control negotiations. It is a potential propaganda battle in Geneva and, therefore, we shouldn't be serious about it. I say that's cockeyed thinking. In the first place those who say they aren't serious, don't know what they're talking about. They may be, they may not be. From our standpoint, we're serious, and we should go there in that spirit. And if

it turns out that they're serious, we'll get somewhere. If it turns out that they're not, we won't. But we shouldn't make any such presumption as is often made in the discussions. And believe me we will go at this in a constructive spirit.

QUESTION: Mr. Secretary, in the last few weeks a U.S. narcotics officer was abducted in a foreign country and killed and America seemed to have little cooperation initially in getting back. What can the U.S. do in the future to ensure the protection of U.S. narcotics agents overseas and stem the tide of drugs, especially from Central America?

SECRETARY SHUETZ: Well, there are lots of things we can do, although our power is not infinite. We, first of all, can make our view clear. We can do everything we can to encourage, assist the law enforcement activities of host countries. We can get people to see the interlocking of drug trafficking, terrorism, and what goes on in certain countries. The fact that Cuba and Nicaragua, to name two, have been involved and there is undoubted evidence of that in drug trafficking. People must see that.

We need an international effort here and I think gradually that is taking shape. It is a major problem and, as we all know, it is highlighted by this most recent tragedy in Mexico. At any rate, there are many things that we can do and we are doing them. The one reason I'm a little preoccupied here, and I didn't mean to cut off your follow-up question; it was just that I was told when I came in that you were all grumbling because you didn't get enough people asking questions, and so I wanted to spread it around. But I'm a little preoccupied because I'm trying to think about where we go from here in the Soviet context and as soon as I leave here will be meeting with Foreign Minister Sepulveda of Mexico.

QUESTION: President Mubarak has asked that the United States meet with a joint Palestinian-Jordanian delegation. If such a delegation were put together, in which the Palestinians might possibly be tacitly approved by the PLO but were non-PLO members, would the U.S. be willing to meet with such a group?

StCRETARY SHULTZ: Well, we have always had the position and still have the position that we are prepared to talk with the PLO, which would include representatives of the PLO, when they recognize Israel's right to exist and when they recognize UN Security Council Resolutions 242 and 338 as a basis upon which to proceed.

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Now, President Mubarak is here. I had a brief exchange with him on Saturday evening when he came in and I look forward to meeting with him later today. He will be meeting with the President, of course, tomorrow and with others. There has been a lot of activity in the Middle East lately on the peace process and a lot of attention to it. President Mubarak has been in the center of this and so we want to explore carefully with him how he sees things. He is a constructive force and so we will want to be working with him. I don't want to make a lot of unequivocal statements here, but I do believe that our position as far as discussions with the PLO is concerned — I just restated it — and there's been no change in that position.

QUESIION: Mr. Secretary, for some weeks now we've been hearing that the President refuses to negotiate on the Strategic Defense and you yourself just a few minutes ago said that there has to be give and take. Can you resolve that apparent contradiction?

SECRETARY SHULTZ: Well, the President's Strategic Defense Initiative is a research program. The Soviet Union is also engaged in a research program in this area. Foreign Minister Gromyko and I agreed that, even if you wish to make an agreement about research; which we don't think would be wise; but even if you wish to make one, there is no way you could verify it.

I suppose in the asymmetry of the situation, there would be a greater ability of the Soviet Union to know what we are doing because our activities all need to be authorized and appropriated and so on and we don't have any way of verifying what they're doing. And so an agreement about research just seems to be out of the question for that, among other reasons. That's what the program is.

Beyond that, of course, there are many other issues involved in testing and development and so forth, let alone possible deployment and much of that is covered by existing treaties. At any rate, the subject will all be given very careful discussion in Geneva. Also, there will be very careful discussion, I'm sure, of our view of the very active measures the Soviet Union has taken in the field of anti-ballistic missile defense.

QUESTION: Mr. Secretary, would the Chernenko funeral have provided an opportunity for the President to make that positive stance you talked about a moment ago? Why did he decide not to go? SECRETARY SHULTZ: I think you will probably be meeting with him, you might want to ask him if you wish to. I think that basically, there will certainly be a point, I hope, where the President and a Soviet leader will have a chance to get together and talk in some detail about these many problems.

The fact is that since President Reagan has been in office, it is probably the case that there hasn't been a time when there was a Soviet leader who was in a state of health such that he could travel and so on. Perhaps that condition will be changed. The arrangements at a funeral are not conducive to the kind of exchange that I described. I don't know whether you're familiar with what at least has happened in the past, and which I assume will happen in the future, but there are many delegations there and the Soviet leadership naturally has to meet with many people. It has symbolic significance and perhaps a little content, but it simply isn't the setting in which you can have a good, thorough, and searching examination of problems.

QUESIION: Would you say in respect of the Soviets' having worked on Strategic Defense for a number of years, that the U.S. position is now that we welcome an intensified Soviet effort in this area?

SECRETART SHULTZ: We're not asking them to do the research. They have been doing it. You don't have to ask the Soviet Union to get preoccupied with defense. They are preoccupied with defense. They have spent as much money on defense, we estimate, as they have on offense, while we basically checked out of the area until very recent years. We intend to pursue the Strategic Defense Initiative and what happens on research is something that one can't verify. If they said they were going to do less of it, we wouldn't know whether they did or not. If they said they were going to do more, we would have a hard time knowing whether they did or not.

QUESIION: Mr. Secretary, thank you very much. What is your assessment going into the arms control talks of U.S.-Soviet relations and what is your assessment of the chances of getting a concrete agreement this time around?

SECREFARY SHULFZ: Well, U.S./Soviet relations are not as good as we would like to see them. On the other hand, over the last four years from the standpoint of our ability to support and defend U.S. interests, I think that things have gone relatively well from our standpoint. But in any case, we would like to have a better relationship with the Soviet Union. It's possible if they have the same wish, as they say

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they do. If that is the case, certainly discussions of arms control are an important ingredient in this process. Not the whole thing by any means, but they are an important ingredient in the whole process. So, partly the outcome of arms control talks will be sort of settled in its own terms, in terms of what they are ready to agree to and what we are ready to agree to and so on. But partly also it's a reflection of the more general picture and how it emerges.

QUESITON: I want to ask you about the intensified border searchers along the U.S.- Mexican ---

SECRETARY SHULTZ: The intensified what?

QUESTION: The intensified border searches along the U.S. -Mexican border that ended a few weeks ago? Do you think they were necessary first of all, and second of all, do you think they were a good idea (inaudible) and what do you want Mexico to do?

SECRETARY SHULTZ: First, they took place because we were so concerned about the kidnapped Drug Enforcement agent, and it was an effort to search intensively, and also to react to some of the threats that come from the drug trafficking people who try to constitute themselves as, in a sense, a government-within-a-government. I think they were a good idea. Among other things they gave people the message that this subject is very important, and it just has got to get addressed. Now, a virgorous effort to find out who was responsible for this horrible death and more generally to build on that to have the ability to prevent is the sort of thing that we want to see happen.

QUESTION: Mr. Secretary, Ambassador Motley was talking to us earlier this morning and described what the United States Government wants from the Nicaraguan Government. The impression I got from that is that we simply are not prepared to live with a belligerent or semi-belligerent government of that sort. Yet we do elsewhere in the world live with belligerent or semi-belligerent governments including Cuba on our doorstep, without applying the kinds of pressures we seem to be applying to Nicaragua. What is it that is so different about Nicaragua that makes it -- what seems to me to be a special case?

SECRETARY SHULLZ: We don't want much from Nicaragua. All we want them to do is to live up to the undertakings they've continuously made. That shouldn't be too much to ask.

Now as far as Cuba is concerned, our point has been perfectly clear. We've had an economic boycott sustained over more than a decade with Cuba. Cuba is a problem, and we don't like Cuban behavior. We would like to see Cuban behavior change. Nicaragua is a problem. It is incontrovertibly trying to subvert its neighbors. No question about that. And as it develops greater capacity, if it does, to do so, the problem will increase. And as it has the kind of government that it seems to be moving toward rapidly, as distinct from the kind of government that it told the OAS it would aspire to, the problem increases. And so that's what we have on our minds, and here it is close to home.

People sometimes say to me, "Aren't you afraid that Nicaragua will turn out to be another Vietnam?" And I don't know exactly what they have in mind there; we don't have any plan for American forces in Nicaragua. On the other hand, those who say that ought to think a little bit about what's happened in Vietnam. The fact that Vietnam is now occupying Cambodia; the fact that there is an absolute flood of refugees from Vietnam, Cambodia, Laos -- from that part of Asia -- a very large number of whom now are in the United States. I think it's better if conditions can be so at home, including at home in Central America, that people want to stay there. So those are all things that concern us about Nicaragua.

MODERATOR: Time for one more question.

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SECREFARY SHULTZ: Well, you pick the questioner. You've already had one, I think. (Laughter)

QUESTION: Mr. Secretary, how much longer can we wait for change to come about in Nicaragua, and what kind of pressures do you put on them to bring about more change?

StCRETARY SHULTZ: Well, we would like to see change immediately. And we have been speaking out on the subject for quite some long time. The President set out a program that is -- and the Kissinger Commission came in with a set of recommendations that are very parallel and which we are trying to follow. That program is to support throughout Central America democracy and the rule of law, to support economic development, and to recognize that if these things are going to take place in an area where active subversion is taking place, then we must help the countries such as El Salvador and Honduras erect a security shield. Otherwise, the Soviet-Cuban-Nicaraguan axis will destroy the ability of democracy and the rule of law and economic development to take

place. So those are all things that we have been working toward and trying to persuade the American public and the American Congress to support, and I think with increasing success.

Let me just say one further thing as I close. We have some very important votes coming up in our Congress, and one of them very much related to the subject that I have been talking about --- has to do with the Peacekeeper, MX missile. We think this is an important modernization of the strategic triad of forces that maintain the strategic balance and the deterrence that has kept the peace for many years. So it's important in and of itself. Of course, it's also important as the arms control negotiations start in Geneva not to have actions take place here that tend to pull the rug out from under our negotiators. So both on the count that the Peacekeeper missile is important in its own right and on the count that it's important to our stance in the negotiations, I think it is extremely important that the Congress vote to unfence the fence that has been erected before these missiles. Now, I think I have stayed for my fully allotted time. A pleasure to meet with you.

MODERATOR: Thank you, Mr. Secretary.

March 15, 1985 NO. 50

PROGRAM FOR THE STATE VISIT TO THE UNITED STATES OF HIS EXCELLENCY DR. RAUL ALFONSIN, PRESIDENT OF THE ARGENTINE REPUBLIC AND MRS. ALFONSIN.

March 17-25, 1985.

Sunday, March 17

4:30 p.m.

President Alfonsin, Mrs. Alfonsin and their party arrive Langley Air Force Base, Virginia via Argentine Air Force Aircraft.

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5:15 p.m. Arrive Lightfoot House.

8:00 p.m. Mr. Charles H. Longsworth, President of the Colonial Williamsburg Foundation, and Mrs. Longsworth will host a dinner in honor of His Excellency Dr. Raul Alfonsin, President of the Argentine Republic, and Mrs. Alfonsin, Carter's Grove Plantation.

Dress: Business suit.

Monday, March 18

10:00 a.m.

President Alfonsin, Mrs. Alfonsin and their party will take a Carriage Sightseeing Tour of Colonial Williamsburg.

Private luncheon.

2:55 p.m. President Alfonsin, Mrs. Alfonsin and their party depart Langley Air Force Base via U.S. Presidential Aircraft enroute Andrews Air Force Base, Maryland.

S/CPR - Mary Masserini

Madison Hotel - Protocol Office 862-1600 Ext. 1501

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Monday, March 18 (continued).

Arrival Andrews Air Force Base, Maryland. 3:30 p.m. The Honorable Kenneth Dam, Acting Secretary of State and Mrs. Dam will greet the party on arrival. Arrival Madison Hotel, 15th and M Streets, 4:00 p.m. Northwest. Private afternoon and evening. Tuesday, March 19 Arrival at the White House where His Excel-10:00 a.m. lency Dr. Raul Alfonsin, President of the Argentine Republic, and Mrs. Alfonsin will be greeted by The President of the United States and Mrs. Reagan, The Honorable George Bush, Vice President of the United States, and Mrs. Bush, The Honorable George P. Shultz, Secretary of State, and Mrs. Shultz, and others. President Alfonsin will meet with President 10:30 a.m. Reagan at the White House. The Honorable George P. Shultz, Secretary 12:30 p.m. of State, and Mrs. Shultz will bost a luncheon in honor of His Excellency Dr. Rul Alfonsin, President of the Argentine Republic, and Mrs. Alfonsin, Department of State, Benjamin Franklin Room. President Alfonsin will lay a wreath at 2:20 p.m. the Tomb of the Unknown Soldier, Arlington Cemetery, Arlington, Virginia. President Alfonsin will lay a wreath at 3:00 p.m. the San Martin Monument, Virginia Avenue and 20th Street, Northwest. PRESIDENT ALFONSIN WILL MEET WITH THE FOLLOWING AT THE MADISON HOTEL, PRESIDENTIAL SUITE, 15 TH FLOOR. PHOTO COVERAGE OF ALL MEETINGS - PHOTOGRAPHERS TO BE ON 15 TH FLOOR NO LATER THAN 15 MINUTES BEFORE SCHEDULED MEETING.

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Tuesday, March 19 :	
3:30 p.m.	The Honorable George P. Shultz, Secretary of State.
4:30 p.m.	The Honorable John R. Block, Secretary of Agriculture.
5:10 p.m.	The Honorable James A. Baker, III, Secretary of the Treasury.
5:50 p.m.	The Honorable A. W. Clausen, President of the World Bank.
7:30 p.m.	The President of the United States and Mrs. Reagan will host a dinner in honor of His Excellency Dr. Raul Alfonsin, President of the Argentine Republic, and Mrs. Alfonsin at the White House.
	Dress: Black tie.
Wednesday, March 20	
8:00 a.m.	President Alfonsin will have a Breakfast- Meeting with The Honorable Jacques de Larosiere, Managing Dirctor of International Monetary Fund, Presidential Suite, Dining Room.
8:45 a.m.	President Alfonsin will meet with The Honorable Paul A. Volcker, Chairman of the Board of Governors of the Federal Reserve System, Presidential Suite, Madison Hotel.
	PHOTO COVERAGE- Photographers to be on 15th floor of Madison Hotel, 15 minutes before scheduled meetings.
9:30 a .m.	President Alfonsin will address members of the Organization of American States, 17th Street and Constitution Avenue, Northwest.
11:00 a.m.	President Alfonsin will address a Joint Meeting of Congress, U.S. Capitol.
12:00 Noon	Members of the National Press Club will host a luncheon in honor of His Excellency Dr. Raul Alfonsin, President of the Argentine Republic, at the Press Club Building, 529 14th Street, Northwest.
4:10 p.m.	President Alfonsin will meet with The Honorable William E. Brock III, United States Trade Representative, Presidential Suite, Madison Hotel.
	PHOTO COVERAGE.

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Wednesday, March 20 (continued)

6:30 p.m. His Excellency Dr. Raul Alfonsin, President of the Argentine Republic, and Mrs. Alfonsin will host a Reception at the Ambassador's Residence, 1815 Q Street, Northwest. Dress: Business suit.

PRESS CONTACT: Mr. Robert Mugica, 939-6418 Ms. Antonia Cutillas 939-6419

8:30 p.m. President Alfonsin, Mrs. Alfonsin and their party depart Ambassador's Residence for Washington Monument Grounds.

8:35 p.m. Arrival Washington Monument Grounds (Reflecting Pool Side).

Departure Ceremony.

- 8:50 p.m. Arrival Andrews Air Force Base, Maryland
- 9:00 p.m. Departure Andrews Air Force Base via U.S. Presidential Aircraft for La Guardia Airport, New York (Marine Air Terminal).

10:00 p.m. Arrival La Guardia Airport.

10:30 p.m. Arrival Plaza Hotel, Fifth Avenue at 59th Street.

Thursday, March 21

10:00 a.m. President Alfonsin will receive an Honorary Degree of Law, Tishman Auditorium, New York University, 40 Washington Square South.

> PRESS CONTACT: Ms. Helen Horowitz, 212 598-2458.

10:45 a.m.

Dr. John Brademas, President of New York University will host a Reception in honor of Dr. Raul Alfonsin, President of the Argentine Republic, Greenberg Lounge, Arthur T. Vanderbilt Hall, New York University

> PRESS CONTACT: Ms. Helen Horowitz, 212 598-2458

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Thursday, March 21 (continued)

11:45 a.m.

The Americas Society and the Argentine-American Chamber of Commerce will meet with and host a luncheon in honor of His Excellency Dr. Raul Alfonsin, President of the Argentine Republic, Grand Ballroom, Pierre Hotel, 2 East 61st Street.

President Alfonsin will be presented the Pan-American Society Gold Insignia.

PRESS CONTACT: Ms. Edna Phillips, 212 249-8450

3:30 p.m.

5:00 p.m.

Dr. Michael I. Sovern, President, Columbia University will present the Presidential Citation for Distinction to His Excellency Dr. Raul Alfonsin, President of the Argentine Republic. A Reception will follow the Presentation.

> PRESS CONTACT: Mr. Fred Knubel, 212 280-5573

President Alfonsin will meet with Representatives of the Jewish Theological Seminary and Human Rights Organizations, Feinberg Auditorium, Jewish Theological Seminary of America, 3080 Broadway.

President Alfonsin will be presented the Centennial Medal for Religious Freedom.

PRESS CONTACT. Mrs. Joseph David, 212 678-8019

Members of the American Association for the Advancement of Science will host a Reception in honor of His Excellency Dr. Raul Alfonsin, President of the Argentine Republic, Museum of Natural History, Central Park West and 79th Street.

President Alfonsin will be presented with a Certificate of Membership.

PRESS CONTACT: Ms. Joan Wrather, 202 467-4400

6:00 p.m.

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PR NO. SU

Friday, Marc	ch	22
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11:15 a.m.

:	President Alfonsin will meet with His
	Excellency Javier Perez de Guellar, Secretary
	General of the United Nations, Plaza Hotel,
	Presidential Suite.
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9:50 a.m. President Alfonsin, Mrs. Alfonsin and their party arrive La Guardia Airport (Marine Air Terminal).

10:00 a.m. Departure from La Guardia Airport via U.S. Presidential Aircraft for O'Hare International Airport, Chicago, Illinois.

> Arrival O'Hare International Airport, Chicago, Illinois.

> > Private lunch.

4:30 p.m. President Alfonsin will visit the Art Institute of Chicago, Michigan Avenue at Adams Street.

> Members of the Chicago Council on Foreign Relations will host a dinner in honor of His Excellency Dr. Raul Alfonsin, President of the Argentine Republic, Grand Ballroom, Ritz-Carlton Hotel, Michigan and Chicago Avenues.

> > Dress: Black tie.

Saturday, March 23

8:50 a.m.

6:30 p.m.

President Alfonsin and his party arrive O'Hare International Airport.

9:00 a.m. Departure from O'Hare International Airport via U.S. Presidential Aircraft for Kirtland Air Force Base, Albuquerque, New Mexico.

11:30 a.m. President will receive Doctorate Honoris Causa and give an Address, University of New Mexico, Woodward Hall.

> PRESS CONTACT: Botheo Crevenna, 505 277-2961

PR NO. 50 - 7 -Saturday, March 23 (continued) 4 Dr. Tom J. Fare, President of the 12:45 p.m. University of New Mexico will host a luncheon in honor of His Excellency Dr. Raul Alfonsin, President of the Argentine Republic, Main Ballroom, Albuquerque Hilton Inn, 1901 University Boulevard, N.E. President Alfonsin and his party arrive 2:25 p.m. Kirtland Air Force Base, New Mexico. Departure from Kirtland Air Force Base 2:35 p.m. via U.S. Presidential Aircraft for Ellington Air Force Base, Houston, Texas. Arrival Ellington Air Force Base. 5:45 p.m. 6:25 p.m. Arrival Meridien Hotel, 400 Dallas Street. Private evening. Sunday, March 24 Private day. Monday, March 25 9:20 a.m. President Alfonsin and his party arrive Ellington Air Force Base, Houston, Texas. 9:30 a.m. Departure from Ellington Air Force Base via Argentine Aircraft enroute Mexico City, Mexico.

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