

3/27

HC

The Secretary initialed this morning your joint memo to the President responding to the Moorhead, et. al. letter. We have sent it on to the White House.

DL

Steve

**Department of State, A/GIS/IPS/SRP**

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With concurrence of: \_\_\_\_\_

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Date 11-20-12

~~CONFIDENTIAL~~

It is beyond dispute that the governments of all of the countries listed above are (or were at the time of the vote) engaged in serious violations of human rights, some in greater degree than others. In light of our commitment to use our voice and vote in the IFIs to advance the cause of human rights and to bring human rights considerations to bear on our bilateral aid programs, it would have been anomalous to have supported the loans or projects in question at the time they were presented for decision.

The Congressmen state that they support "your policy statements on human rights" but believe that "the Congress may have overreacted in attempting to put these statements of principle into legislative form." This is a most puzzling assertion. The prototype for the Congressional action, the Harkin Amendment, was enacted before you came into office. In any event, we are obligated faithfully to carry out the laws involved, even though a group of Congressmen may regard them as an overreaction.

The Congressmen allude to "conditions" in the legislation that would "permit flexible administration." They are presumably referring to the fact that the Harkin Amendment applies only to governments engaged in "a consistent pattern of gross violations" of human rights and that even as to such governments the amendment permits approval if the loan or project would directly benefit the needy. It is not clear which of the countries listed above are regarded by the Congressmen as not being gross and consistent violators, but we stand by our judgment that our recommendations were appropriate at the time they were made.

As for the other "condition" in the Harkin Amendment -- the "needy people" exception -- we have already put as much strain on it as it can bear. We have, for example, voted for almost all IFI loans for the needy in the countries listed above. Moreover, in some instances we have given a broad construction to the definition of a "needy people" loan in order to permit us to support the loan in question.

~~CONFIDENTIAL~~

~~Department of State, A/GIS/IPS/SRP~~

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With concurrence of: \_\_\_\_\_

IPS by W \_\_\_\_\_ Date 11-20-60 not obt.

~~CONFIDENTIAL~~

- 4 -

All of our actions in this area are the result of deliberations by the Interagency Group on Human Rights and Foreign Assistance. The Group was set up last April pursuant to an NSC directive. To promote better understanding of the lengths to which we have gone to assure that our foreign assistance programs reflect our human rights concerns, we have prepared the attached summary of the Group's background and operations (Tab 1). This summary stresses that the Group's main purpose is to carry out the applicable statutory provisions and that it has full representation from State's geographical bureaus as well as current information from our embassies in the countries involved.

Our human rights policy is by no means all "sanctions". Consistent with P.D. 30, we are intensifying efforts to direct a growing share of our bilateral economic assistance to governments that show respect for human rights. We are also encouraging the IFI managements to channel a greater share of their lending to countries with good human rights records and to programs that serve basic human needs. We have urged several of our allies to convey the same message to IFI managements, and we believe some of them are about to do so. (As you know, in response to P.D. 30, an interagency study is underway on the effectiveness of recent U.S. actions in the IFIs, and it will shed further light on the issues discussed above.) In general, we believe that greater emphasis on "rewards" rather than "sanctions" can lead to beneficial results.

We will see that the seven Congressmen are kept fully informed of our actions and will attempt to gain their understanding. In some cases it may prove impossible to do so, but were we to adopt the approach they suggest, we would fail to keep faith with our human rights commitments, as well as the statutory requirements. In that event, the chorus of protest from the human rights activists and others in Congress -- and from the public -- would be deafening.

A proposed response to the Congressmen is attached under Tab 2.

Attachments:

Tab 1 - Summary and Background of Interagency Group on Human Rights and Foreign Assistance.

Tab 2 - Proposed response to Congressmen.

~~CONFIDENTIAL~~

Steve / Hed

MEMORANDUM

Of the almost <sup>400</sup> 500 loans that have been voted on in the IFIs since January 1977, we have voted against only nine and abstained on only 14 on human rights grounds. In addition, we have arranged to have consideration of about twenty loans deferred pending human rights developments in the countries in question; in several of these cases the deferrals were only temporary.

The countries that applied for the loans as to which we cast negative votes, abstained, or obtained postponements number only 13, as follows:

<u>No Votes</u>	<u>Abstentions</u>	<u>Postponed</u>
Argentina	Argentina	Chile
Chile	Benin	El Salvador
Paraguay	Central African Empire	Korea
South Yemen	Ethiopia	Nicaragua
Uruguay	Guinea	Paraguay
	Korea	Uruguay
	Philippines	

Of hundreds of AID projects that have been considered since January 1977, we deferred only 22, five of which were subsequently approved. The very low ratio of deferral results from the fact that virtually all of these projects meet basic human needs. Only six countries were involved, as follows:

Chile	Nicaragua
Central African Empire	Paraguay
Ethiopia	Uruguay

**Department of State, A/GIS/IPS/SRP**

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Date 11-20-78

State

In the memo  
to the Pres, ~~we~~ we  
should stress

1. Offer (rewards)  
actions which can be  
taken thru ~~aid~~ AID  
budgets of joint action in  
IFIs
2. development of Country  
Plans. C

Department of State, A/GIS/IPS/SRP  
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With concurrence of: \_\_\_\_\_  
IPS by W obtained \_\_\_\_\_ not obt. \_\_\_\_\_  
Date 11-30-16

THE WHITE HOUSE  
WASHINGTON

March 16, 1978

MEMORANDUM FOR

THE DEPUTY SECRETARY OF STATE

The President has asked me to forward to you a copy of the attached letter which he received from members of the House Committee on Banking, Finance and Urban Affairs.

*Zbigniew Brzezinski*  
Zbigniew Brzezinski

Attachment

~~Department of State, A/GIS/IPS/SRP  
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Exemptions b ( ) ( ) E.O. 13526 25x ( ) ( )  
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With concurrence of: \_\_\_\_\_  
IPS by W obtained \_\_\_\_\_ Date 11-22-16 not obt.~~



The view was expressed by all United States officials in the countries we visited. The view was also expressed that the "Christopher Committee" did not adequately use the input from our diplomats in the countries affected, nor properly carry out the mandate established by Congress regarding the human rights issue.

*explain what it is and what should be done*

In addition, President Oduber of Costa Rica, whom we visited after our inspection tour of the above countries, and whose country has no human rights problems, expressed the view that our use of economic sanctions in human rights situations was too heavy handed and rigid and that we could accomplish more by policies which are subtler and more flexible. We agree with President Oduber's observations.

*19 of 200*

As we expected, officials of the four South American countries we visited objected to any form of human rights pressure exerted by the United States.

However, and more significantly, the people of the countries we visited seem to believe that moral suasion and the power of world opinion were more effective in achieving progress toward human rights than economic sanctions imposed indirectly by the United States through its participation in multilateral lending institutions and directly by the United States through its bilateral aid and/or military sales and credit programs.

*Don't put an info suggest different check w/ Argentina*

For example, in Argentina, which has, perhaps, the most overt and flagrant program of abuse of human rights, we met with three human rights groups. The repeated refrain was, "Don't use economic sanctions against our country." The most thoroughly genuine of those three groups was called the Mothers of Plaza del Mayo. This group represents women whose husbands, sons and daughters have been arrested and who cannot get information as to whether their relatives are alive or dead and, if alive, where they are being held. Even this group favored moral suasion over economic sanctions.

Mr. President, we support your policy statements on human rights. We think the Congress may have overreacted in attempting to put these statements of principle into legislative form, but we know this legislation contains several conditions which do permit flexible administration. We believe that the Department of State has overreacted to expressions from the President and the Congress in a way that is not only detrimental to the United States but also to the people about whose human rights we are concerned.

*only when  
+ g  
which  
the  
response  
bluntly*

-3-

Mr. President, this Delegation was one of the largest to visit South America in recent years. We hope that you will take our views into account. When you visit South America, we hope you will take the opportunity to test the conclusion we have reached.

Mr. President, although the main thrust of this letter deals with the human rights question in South America, as viewed by the United States, we spent a considerable amount of time investigating IDB projects and talking to IDB, U.S. and local officials concerning the activities of the IDB in those countries visited. Our overall impressions from talking to recipients of IDB programs and officials is that the IDB deserves our continuing support.

In conclusion, if there was one constant theme in every country we visited, it was the great respect and even affection for the United States that was manifested by nearly everyone we encountered.

Respectfully yours,

William S. Moorhead, (Pa.)  
Joseph G. Minish, (N.J.)  
John J. LaFalce, (N.Y.)  
Charles Wilson, (Tex.)

J. William Stanton, (Ohio)  
Garry Brown, (Mich.)  
Henry J. Hyde, (Ill.)

THE SECRETARY OF STATE  
WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: Cyrus Vance  
Warren Christopher

SUBJECT: Letter from ~~Congressional~~ Group That Recently Visited Latin America

*to be in line with  
requested by  
statute  
emp. 1977*

We have reviewed the letter given to you last week by the seven Congressmen who recently visited Latin America. Their principal claim is that we have been "overly rigid" in bringing human rights considerations to bear on economic assistance decisions, especially as to votes in the IFIs.

*in  
elementary  
statutes  
and  
why*

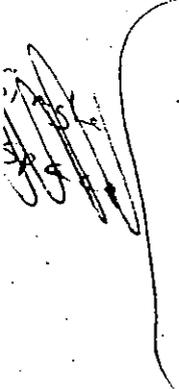
We are committed to the proposition that it is preferable to use positive actions ("rewards") and normal diplomatic channels rather than "sanctions" in pursuing our human rights objectives. ~~But the fact is that we have been moderate in using "sanctions" such as our vote in the IFIs in behalf of human rights.~~ Of the almost 500 loans that have been voted on in the IFIs since January 1977, we have voted against only nine and abstained on only 14 on human rights grounds. In addition, we have arranged to have consideration of loans deferred pending human rights <sup>developments</sup> improvements in the countries in question; ~~some of these loans were subsequently approved or opposed~~ *almost half cases*

*these  
no collect  
about  
a dozen  
the  
deferrals  
were only  
temporary*

The countries that applied for the loans as to which we cast negative votes, abstained, or obtained postponements number only 13, as follows:

*However, a wide and explicit array of federal statutes <sup>and</sup> requested us to oppose grants of loans to human rights violators.*

*[Handwritten scribbles]*



<u>No Votes</u>	<u>Abstentions</u>	<u>Postponed</u>
Argentina ( <del>3 loans</del> )	Argentina ( <del>4 loans</del> )	Chile ( <del>2 loans, one of which we subsequently voted against</del> )
Chile ( <del>2 loans</del> )	Benin ( <del>2 loans</del> )	El Salvador ( <del>1 loan, which we subsequently voted for</del> )
Paraguay ( <del>1 loan</del> )	Central African Empire ( <del>1 loan</del> )	Korea ( <del>1 loan on which we subsequently abstained</del> )
South Yemen ( <del>1 loan</del> )	Ethiopia ( <del>2 loans</del> )	Nicaragua ( <del>2 loans, one of which we subsequently voted for</del> )
Uruguay ( <del>2 loans</del> )	Guinea ( <del>1 loan</del> )	Paraguay ( <del>3 loans</del> )
	Korea ( <del>2 loans</del> )	Uruguay ( <del>2 loans, both of which we voted against</del> )
	Philippines ( <del>2 loans</del> )	

22 We have also been moderate in using our bilateral economic aid as a "sanction". Of hundreds of AID projects that have been considered since January 1977, we deferred only ~~8~~, five of which were subsequently approved. The very low ratio of deferral results from the fact that virtually all these projects meet basic human needs. Only six countries were involved, as follows:

- Chile (~~2 projects~~)
- Central African Empire (~~3 projects~~)
- Ethiopia (~~3 projects, all subsequently approved~~)
- Nicaragua (~~5 projects~~)
- Paraguay (~~2 projects~~)
- Uruguay (~~2 projects, both subsequently approved~~)



THE SECRETARY OF STATE  
WASHINGTON

CONFIDENTIAL

MEMORANDUM FOR: THE PRESIDENT

FROM: Cyrus Vance  
Warren Christopher

SUBJECT: *Human Rights and Foreign Assistance*

We have reviewed the letter given to you last week by the seven Congressmen who recently visited Latin America. Their principal claim is that we have been "overly rigid" in bringing human rights considerations to bear on economic assistance decisions, especially as to votes in the IFIs.

We are committed to the proposition that it is preferable to use positive actions ("rewards") and normal diplomatic channels rather than "sanctions" in pursuing our human rights objectives. But the fact is that we have been moderate in using "sanctions" such as our vote in the IFIs in behalf of human rights. Of the almost 500 loans that have been voted on in the IFIs since January 1977, we have voted against only nine and abstained on only 14 on human rights grounds. In addition, we have arranged to have consideration of 11 loans deferred pending human rights improvements in the countries in question; some of these loans were subsequently approved or opposed.

The countries that applied for the loans as to which we cast negative votes, abstained, or obtained postponements number only 13, as follows:

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IPS by Q Date 11-22-16~~

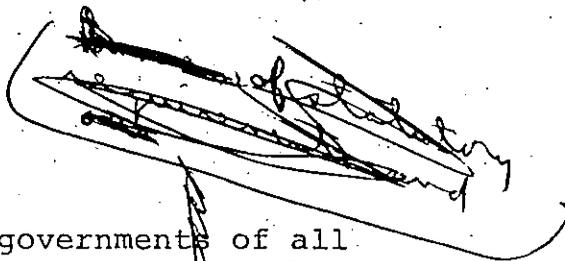
- 2 -

<u>No Votes</u>	<u>Abstentions</u>	<u>Postponed</u>
Argentina (3 loans)	Argentina (4 loans)	Chile (2 loans, one of which we subsequently voted against)
Chile (2 loans)	Benin (2 loans)	El Salvador (1 loan, which we subsequently voted for)
Paraguay (1 loan)	Central African Empire (1 loan)	Korea (1 loan on which we subsequently abstained)
South Yemen (1 loan)	Ethiopia (2 loans)	Nicaragua (2 loans, one of which we subsequently voted for)
Uruguay (2 loans)	Guinea (1 loan)	Paraguay (3 loans)
	Korea (2 loans)	Uruguay (2 loans, both of which we voted against)
	Philippines (2 loans)	

We have also been moderate in using our bilateral economic aid as a "sanction". Of hundreds of AID projects that have been considered since January 1977, we deferred only 17, five of which were subsequently approved. The very low ratio of deferral results from the fact that virtually all these projects meet basic human needs. Only six countries were involved, as follows:

- Chile (2 projects)
- Central African Empire (3 projects)
- Ethiopia (3 projects, all subsequently approved)
- Nicaragua (5 projects)
- Paraguay (2 projects)
- Uruguay (2 projects, both subsequently approved)

- 3 -



It is beyond dispute that the governments of all of the 13 countries listed above are (or were at the time of the vote) engaged in serious violations of human rights, some in greater degree than others. In light ~~of~~ our commitment to use our voice and vote in the IFIs to advance the cause of human rights and to bring human rights considerations to bear on our bilateral aid programs, it would have been anomalous to have supported the loans or projects in question at the time they were presented for decision.

The Congressmen state that they support "your policy statements on human rights" but believe that "the Congress may have overreacted in attempting to put these statements of principle into legislative form." This is a most puzzling assertion. The prototype for the Congressional action, the Harkin Amendment, was enacted before you came into office. In any event, we are obligated faithfully to carry out the laws involved, even though a group of Congressmen may regard them as an overreaction.

The Congressmen allude to "conditions" in the legislation that would "permit flexible administration." They are presumably referring to the fact that the Harkin Amendment applies only to governments engaged in "a consistent pattern of gross violations" of human rights and that even as to such governments the amendment permits approval if the loan or project would directly benefit the needy. It is not clear which of the 13 countries are regarded by the Congressmen as not being gross and consistent violators, but we stand by our judgment that our recommendations were appropriate at the time they were made.

As for the other "condition" in the Harkin Amendment -- the "needy people" exception -- we have already put as much strain on it as it can bear. We have, for example, voted for virtually all IFI loans for the needy in each of the 13 countries listed above, except Chile. Moreover, in some instances we have given a broad construction to the definition of a "needy people" loan in order to permit us to support the loan in question.

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- 4 -

All of our actions in this area are the result of deliberations by the Interagency Group on Human Rights and Foreign Assistance. The Group was set up last April pursuant to an NSC directive. To promote better understanding of the lengths to which we have gone to assure that our foreign assistance programs reflect our human rights concerns, we have prepared the attached summary of the Group's background and operations (Tab 1). This summary stresses that the Group's main purpose is to carry out the applicable statutory provisions and that it has full representation from State's geographical bureaus as well as current information from our embassies in the countries involved.

Our human rights policy is by no means all "sanctions". Consistent with P.D. 30, we are intensifying efforts to direct a growing share of our bilateral economic assistance to governments that show respect for human rights. We are also encouraging the IFI managements to channel a greater share of their lending to countries with good human rights records and to programs that serve basic human needs. We have urged several of our allies to convey the same message to IFI managements, and we believe some of them are about to do so. (As you know, in response to P.D. 30, an interagency study is underway on the effectiveness of recent U.S. actions in the IFIs, and it will shed further light on the issues discussed above.) In general, we believe that greater emphasis on "rewards" rather than "sanctions" can lead to beneficial results.

We will see that the seven Congressmen are kept fully informed of our actions and will attempt to gain their understanding. In some cases it may prove impossible to do so, but were we to adopt the approach they suggest, we would fail to keep faith with our human rights commitments, as well as the statutory requirements. In that event, the chorus of protest from the human rights activists and others in Congress -- and from the public -- would be deafening.

A proposed response to the Congressmen is attached under Tab 2.

Attachments:

Tab 1 - Summary and Background of Interagency Group on Human Rights and Foreign Assistance.

Tab 2 - Proposed response to Congressmen.

DRAFT LETTER FROM PRESIDENT CARTER

Dear \_\_\_\_\_:

I have reviewed your letter of March 16 concerning our efforts to bring human rights considerations to bear on foreign assistance decisions. We are in agreement that it is preferable to use positive actions and normal diplomatic channels rather than "sanctions" in pursuing our human rights objectives. Pursuant to my recent direction, increasing reliance will be placed on positive steps to encourage human rights improvements in both our bilateral and multilateral aid programs.

*represent* While the ~~use~~ <sup>consideration</sup> of so-called "sanctions" is sometimes ~~required by law and policy~~ <sup>federal statutes as well as our policy,</sup> we have employed ~~them~~ <sup>such measures</sup> with care and moderation. Of the almost 500 loans that have been voted on in the IFIs since January 1977, we have voted against only nine and abstained on only 14 on human rights grounds. In addition, we have arranged to have consideration of ~~14~~ <sup>about a dozen</sup> loans deferred pending human rights improvements in the countries in question; ~~some of these~~ <sup>some of these</sup> loans we subsequently approved or opposed. Of the hundreds of AID projects that have been considered since January 1977, we have deferred only 17, and five of the ~~17~~ <sup>17</sup> were subsequently approved.

Department of State, AIGIS/IPS/SRP  
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IPS by *[Signature]* obtained \_\_\_\_\_ not obt. \_\_\_\_\_  
Date *11-20-16*

-2-

Each of the actions taken was the result of a conscientious effort to apply existing legislation in light of the best information we can obtain on human rights conditions in the countries involved. Let me assure you that we have made every effort to apply the legislation as fairly and as flexibly as possible and that we will continue to do so. In particular, we have given a broad construction to the "needy people" exception so as to permit loans and grants to go forward where <sup>they will directly benefit the needy people in</sup> ~~appropriate~~ <sup>the countries involved even though there are serious</sup> human rights violations.

All of our actions in this area are the result of deliberations by the Interagency Group on Human Rights and Foreign Assistance. The Group was created last April to assure that our foreign assistance programs would reflect our human rights concerns as required by applicable legislation. I am enclosing herewith for your information a summary of the Group's background and operations. As this summary states, the Group has representation from the State Department's regional bureaus, as well as current information from our Embassies in the countries involved.

In conclusion, I want to <sup>emphasize</sup> ~~reiterate~~ that our human rights policy is by no means all "sanctions". We are intensifying efforts to direct a greater share of our bilateral economic assistance to governments that show

Department of State, A/GIS/IPS/SRP

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SUGGESTED REPLY

IPS by BJ Date 11-30-16

Dear \_\_\_\_\_:

I have reviewed your letter of March 16 concerning our efforts to bring human rights considerations to bear on foreign assistance decisions. We are in agreement that it is preferable to use positive actions and normal diplomatic channels rather than "sanctions" in pursuing our human rights objectives. Pursuant to my recent direction, increasing reliance will be placed on positive steps to encourage human rights improvements in both our bilateral and multi-lateral aid programs.

While consideration of so-called "sanctions" is sometimes required by explicit federal statutes as well as our policy, we have employed such measures with care and moderation. Of the over 400 loans that have been voted on in the IFIs since January 1977, we have voted against ~~only~~ nine and abstained on ~~only~~ 14 on human rights grounds. In addition, ~~we have sought to defer~~ <sup>has been deferred;</sup> consideration of about 20 loans pending ~~human rights developments in the countries in question;~~ in several of these cases the deferral was only temporary. Of the hundreds of AID projects that have been considered since January 1977, we have deferred only 22 on human rights grounds, and five of these were subsequently approved.

SUGGESTED REPLY

Dear \_\_\_\_\_:

I have reviewed your letter of March 16 concerning our efforts to bring human rights considerations to bear on foreign assistance decisions. We are in agreement that it is preferable to use positive actions and normal diplomatic channels rather than "sanctions" in pursuing our human rights objectives. Pursuant to my recent direction, increasing reliance will be placed on positive steps to encourage human rights improvements in both our bilateral and multilateral aid programs.

While consideration of so-called "sanctions" is sometimes required by explicit federal statutes as well as our policy, we have employed such measures with care and moderation. Of the almost 500 loans that have been voted on in the IFIs since January 1977, we have voted against only nine and abstained on only 14 on human rights grounds. In addition, we have arranged to have consideration of about twenty loans deferred pending human rights developments in the countries in question; in several of these cases the deferral was only temporary. Of the hundreds of AID projects that have been considered since January 1977, we have deferred only 22, and five of these were subsequently approved.

~~CONFIDENTIAL~~

THE SECRETARY OF STATE  
WASHINGTON

MEMORANDUM FOR: THE PRESIDENT  
FROM: Cyrus Vance  
Warren Christopher  
SUBJECT: Letter from Congressional Group  
That Recently Visited Latin America

We have reviewed the letter given to you last week by the seven Congressmen who recently visited Latin America. Their principal claim is that we have been "overly rigid" in bringing human rights considerations to bear on economic assistance decisions, especially as to votes in the IFIs.

We are committed to the proposition that it is preferable to use positive actions ("rewards") and normal diplomatic channels rather than "sanctions" in pursuing our human rights objectives. However, in addition to the general thrust of our human rights policy, we are explicitly required by a wide array of federal statutes to oppose grants or loans to human rights violators.

We have acted with moderation in these matters. Of the <sup>over 400</sup> ~~almost 500~~ loans that have been voted on in the IFIs since January 1977, we have voted against only nine and abstained on only 14 on human rights grounds. In addition, we have arranged to have consideration of about 20 loans ~~deferred~~ pending human rights developments in the countries in question; in several of these cases the deferrals were only temporary. *defer*

*Some*  
Department of State, A/GIS/IPS/SRP

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IPS by *[Signature]* obtained \_\_\_\_\_ Date *11-22-16* not obt.

~~CONFIDENTIAL~~

Department of State, A/GIS/IPS/SRP

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Declassify after \_\_\_\_\_  
With concurrence of: \_\_\_\_\_  
IPS by W obtained \_\_\_\_\_ not obt. SECRETARY OF STATE  
Date 11-20-16 WASHINGTON

*We are committed to the proposition that it is preferable to use positive actions ("rewards") and normal diplomatic channels rather than "sanctions" in pursuing our human rights objectives.*

MEMORANDUM FOR: THE PRESIDENT  
FROM: Cyrus Vance  
Warren Christopher

We have reviewed the letter given to you last week by the seven Congressmen who recently visited Latin America. Their principal claim is that we have been "overly rigid" in bringing human rights considerations to bear on economic assistance decisions, especially as to votes in the IFIs. ~~They would prefer that we pursue our human rights objectives primarily through Presidential proclamations and other statements.~~

*But* the fact is that we have been moderate in using our ~~voice and~~ vote in the IFIs in behalf of human rights. Of several hundred loans that have been voted on in the IFIs since January 1977, we have voted against only seven and abstained on only 14 on human rights grounds. (In addition, we have arranged to have consideration of ~~a few~~ loans deferred pending human rights improvements in the countries in question.) ~~Moreover, all of the loans we voted against or abstained on were approved over our opposition. This is not to say that our vote did not send a strong signal to the country in question, but it does belie the Congressmen's apparent view that our positions on IFI loans have constituted "economic sanctions."~~

*"Sanctions" such as your these loans some of which we subsequently approved or opposed.*

~~The countries that received the IFI loans that we voted against, or abstained on number only eleven as follows:~~

No Votes

- Argentina (3 loans)
- Chile (2 loans)
- Paraguay (1 loan)
- South Yemen (1 loan)
- Uruguay (2 loans)

Abstentions

- Argentina (4 loans)
- Benin (2 loans)
- Central African Empire (1 loan)
- Ethiopia (2 loans)
- Guinea (1 loan)
- Korea (2 loans)
- Philippines (2 loans)

*nine*

*11*

*last negative votes*

*The*

*thirteen countries*

*Postponed*

*John Riden X*

*obtained postponements*

OFFICE OF THE DEPUTY  
SECRETARY OF STATE

Rider X

Postponed

Department of State, A/GIS/IPS/SRP

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Declassify after \_\_\_\_\_

With concurrence of: \_\_\_\_\_

IPS by AD obtained \_\_\_\_\_ not obt. \_\_\_\_\_

Date 11-30-16

Chile (2 loans, one of which  
we subsequently voted  
against)

El Salvador (1 loan, which we  
subsequently voted for)

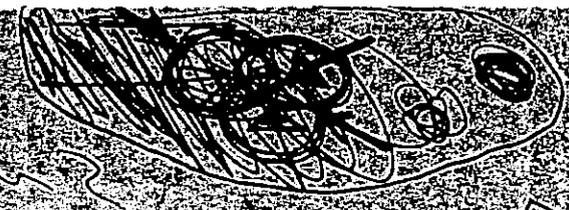
Korea (1 loan, which we  
subsequently abstained)

Paraguay (3 loans)

Uruguay (2 votes, both of which  
we subsequently voted  
against)

Nicaragua (2 loans, one of which  
we subsequently voted  
for)

Paraguay



~~In addition we have~~  
~~decreased the number of projects~~  
~~in the area of~~  
~~the area, in the~~

Department of State, AGS/11/1/1/1  
Exemptions by E.O. 13526, 25  
Declassify after  
With concurrence of

not obt. Date 11-30-96  
obtained  
IPS by [signature]

¶ We have also been moderate in using our bilateral economic aid as a sanction; ~~to increase~~

Of hundreds of ~~of~~ projects that we deferred <sup>only 17</sup> ~~and grants, we have~~ ~~approved~~ since January 1957, and five of these were subsequently approved. ~~These projects were proposed for~~ ~~only~~ only six countries, as follows:

- Chile (2 projects)
- Central African Empire (3 projects)
- Ethiopia (3 projects, all of which were subsequently approved)
- Paraguay (2 projects)
- Venezuela (2 projects, both subsequently approved)
- Nicaragua (5 projects)

Directed above

the 13

Rider 2

It is beyond dispute that the governments of these countries are engaged in ~~clear-cut~~ serious violations of human rights, some in greater degree than others. In ~~view of the seriousness of these violations and in light of our commitment to use our voice and vote in the IFIs to advance the cause of human rights~~, it would have been anomalous to have supported the loans in question.

and to many human rights violations which have been considered in legislative programs

The Congressmen state that they support "your policy statements on human rights" but believe that "the Congress may have overreacted in attempting to put these statements of principle into legislative form." This is a most puzzling assertion, ~~first~~, the prototype for the Congressional action, the Harkin Amendment, was enacted before you came into office.

~~Second, as you know, our efforts to provide more flexibility in human rights legislation have consistently been thwarted.~~

The Congressmen allude to "conditions" in the legislation that would "permit flexible administration." They are presumably referring to the fact that the Harkin Amendment applies only to governments engaged in "a consistent pattern of gross violations" of human rights and that even as to such governments the amendment permits ~~a "yes" vote~~ if the loan would directly benefit the needy. It is not clear which of the ~~eleven~~ countries are regarded by the Congressmen as not being gross and consistent violators, but we stand by our judgment that our recommendations were appropriate at the time they were made. ~~We have more recently voted yes on loans to two of the countries (Korea and the Philippines) on the ground of human rights improvements.~~

As for the other "condition" in the Harkin Amendment -- the "needy people" exception -- we have already put as much strain on it as it can bear. We have, for example, voted for virtually all loans for the needy in each of the ~~eleven~~ countries listed above, except Chile. Moreover, in some instances we have given a broad construction to the definition of a "needy people" loan in order to permit us to support the loan in question.

approval

of project

13

IFI

13

program  
lead to  
a

and others

3 -

All of our actions in this area are the result of deliberations by the Interagency Group on Human Rights and Foreign Assistance, ~~which Warren chairs~~. The Group, which was set up last April pursuant to an NSC directive, has become the target of criticism by Congressmen who have an interest in a particular country, ~~as Charles Wilson does in Nicaragua~~. To respond to these criticisms and to promote better understanding of the lengths to which we have gone to assure that our foreign assistance programs reflect our human rights concerns, we have prepared the attached ~~description~~ of the Group's background and operations (Tab 1).

summary

Finally, we would emphasize that our human rights policy is by no means all "sanctions." Consistent with P.D. 30, we are intensifying efforts to direct a growing share of our bilateral economic assistance to governments that show respect for human rights. We are also actively encouraging the IFI managements to channel a greater share of their lending to countries with good human rights records and to programs that serve basic human needs. We have urged several of our allies to convey the same message to IFI managements, and we believe some of them are about to do so. In general, we believe that greater emphasis on "rewards" rather than "sanctions" can lead to beneficial results.

As you know, in response to P.D. 30, an interagency study is underway on the effectiveness of recent U.S. actions in the IFIs, and it will shed further light on the issues discussed above.

In sum, we recommend no basic departure from the line we have been pursuing. We will see that the seven Congressmen are kept fully informed of our actions and will attempt to gain their understanding. In some cases ~~that~~ may prove impossible, but were we to adopt the approach they suggest, the chorus of protest from the human rights activists and others in Congress -- and from the public -- would be deafening.

It may

to do so

States

We would fail to keep faith with our human rights commitment and

Attachment:

As stated.

and as well as current information from our... in the countries involved

This summary ~~emphasizes~~ the Group's ~~main purpose~~ stresses that the Committee's ~~main purpose~~ applicable is to carry out the ~~statutory provisions~~ and that we ~~will~~ ~~commit~~ it

A proposed response to the Congressmen is attached under Tab 2.

THE SECRETARY OF STATE  
WASHINGTON

~~Department of State, A/GIS/IPS/SRP~~

Change to \_\_\_\_\_  
 Release  Excise  Deny  Declassify  
 Exemptions b ( ) ( ) E.O. 13526 25x ( ) ( )  
 Declassify after \_\_\_\_\_  
 With concurrence of: \_\_\_\_\_  
 \_\_\_\_\_ obtained \_\_\_\_\_ not obt.  
 IPS by 4 Date 11-22-16

MEMORANDUM FOR: THE PRESIDENT  
 FROM: Cyrus Vance  
 Warren Christopher

We have reviewed the letter given to you last week by the seven Congressmen who recently visited Latin America. Their principal claim is that we have been "overly rigid" in bringing human rights considerations to bear on economic assistance decisions, especially as to votes in the IFIs. They would prefer that we pursue our human rights objectives primarily "through Presidential proclamations and other statements."

The fact is that we have been moderate in using our voice and vote in the IFIs in behalf of human rights. Of several hundred loans that have been voted on in the IFIs since January 1977, we have voted against only seven and abstained on only 13 on human rights grounds. (In addition, we have arranged to have consideration of a few loans deferred pending human rights improvements in the countries in question.) Moreover, all of the loans we voted against or abstained on were approved over our opposition. This is not to say that our vote did not send a strong signal to the country in question, but it does belie the Congressmen's apparent view that our positions on IFI loans have constituted "economic sanctions."

The countries that received the IFI loans that we voted against or abstained on number only eleven, as follows:

No Votes

Argentina  
 Chile  
 Paraguay  
 South Yemen  
 Uruguay

Abstentions

Argentina  
 Benin  
 Central African Empire  
 Ethiopia  
 Guinea  
 Korea  
 Philippines

- 2 -

It is beyond dispute that the governments of these countries are engaged in clear-cut, serious violations of human rights, some in greater degree than others. In view of the seriousness of these violations and in light of our commitment to use our voice and vote in the IFIs to advance the cause of human rights, it would have been anomalous to have supported the loans in question.

The Congressmen state that they support "your policy statements on human rights" but believe that "the Congress may have overreacted in attempting to put these statements of principle into legislative form." This is a most puzzling assertion. First, the prototype for the Congressional action, the Harkin Amendment, was enacted before you came into office. Second, as you know, our efforts to provide more flexibility in human rights legislation have consistently been thwarted.

The Congressmen allude to "conditions" in the legislation that would "permit flexible administration." They are presumably referring to the fact that the Harkin Amendment applies only to governments engaged in "a consistent pattern of gross violations" of human rights and that even as to such governments the amendment permits a "yes" vote if the loan would "directly benefit the needy." It is not clear which of the eleven countries are regarded by the Congressmen as not being gross and consistent violators, but we stand by our judgment that our recommendations were appropriate at the time they were made. We have more recently voted yes on loans to two of the countries (Korea and the Philippines) on the ground of human rights improvements.

As for the other "condition" in the Harkin Amendment -- the "needy people" exception -- we have already put as much strain on it as it can bear. We have for example voted for virtually all loans for the needy in each of the eleven countries listed above, except Chile. Moreover, in some instances we have given a broad construction to the definition of a "needy people" loan in order to permit us to support the loan in question.

- 3 -

All of our actions in this area are the result of deliberations by the Interagency Group on Human Rights and Foreign Assistance, which Warren chairs. The Group, which was set up last April pursuant to an NSC directive, has become the target of criticism by Congressmen who have an interest in a particular country, as Charles Wilson does in Nicaragua. To respond to these criticisms and to promote better understanding of the lengths to which we have gone to assure that our foreign assistance programs reflect our human rights concerns, we have prepared the attached description of the Group's background and operations (Tab 1).

Finally, we would emphasize that our human rights policy is by no means all "sanctions." Consistent with P.D. 30, we are intensifying efforts to direct a growing share of our bilateral economic assistance to governments that show respect for human rights. We are also actively encouraging the IFI managements to channel a greater share of their lending to countries with good human rights records and to programs that serve basic human needs. We have urged several of our allies to convey the same message to IFI managements, and we believe some of them are about to do so. In general, we believe that greater emphasis on "rewards" rather than "sanctions" can lead to beneficial results.

As you know, in response to P.D. 30 an interagency study is underway on the effectiveness of recent U.S. actions in the IFIs, and it will shed further light on the issues discussed above.

In sum, we recommend no basic departure from the line we have been pursuing. We will see that the seven Congressmen are kept fully informed of our actions and will attempt to gain their understanding. In some cases that may prove impossible but were we to adopt the approach they suggest, the chorus of protest from the human rights activists and others in Congress -- and from the public -- would be deafening.

Attachment:

As stated.

Department of State, A/GIS/IPS/SRP

Change to \_\_\_\_\_  
() Release ( ) Excise ( ) Deny ( ) Declassify  
Exemptions b ( ) ( ) E.O. 13526 25x ( ) ( )  
Declassify after \_\_\_\_\_  
With concurrence of: \_\_\_\_\_  
IPS by [Signature] obtained \_\_\_\_\_ not obt. \_\_\_\_\_  
Date 11-30-66

MEMORANDUM FOR: THE PRESIDENT

FROM: Cyrus Vance and Warren Christopher

We have reviewed the letter given to you last week by the seven Congressmen who recently visited Latin America. Their principle<sup>al</sup> claim is that we have been "overly rigid" in bringing human rights considerations to bear on economic assistance decisions, especially as to votes in the IFIs. They would prefer that we pursue our human rights objectives primarily "through Presidential proclamations and other statements."

[Some of the individuals who signed the letter have been pursuing this line of criticism with great vigor on the Hill, especially in hearings on the FY 79 foreign assistance budget.]

*[Handwritten initials]*  
As you know, in response to PD-30 there is an interagency study underway on the effectiveness of recent U.S. actions in the IFI. The issues raised by the Congressmen in their letter, as well as many other issues, will be fully explored in that study. We wanted, however, to give you our views now on the particular points raised by the Congressmen. It is our conclusion that

*more*  
*to*  
*do*

~~their position is untenable and that they represent a distinctly minority view in Congress. If we were to adopt the approach they suggest, the chorus of protest from the human rights activists and others in Congress -- and from the public -- would be deafening.~~

The fact is that we have been ~~quite~~ moderate in using our voice and vote in the IFIs in behalf of human rights. Of ~~well over 200~~ *several hundred* loans that have been voted on in ~~all of~~ the IFIs since January ~~of last year~~ *1977*, we have voted against only seven and abstained on only 13 on human rights grounds. (In addition, we have *managed* ~~managed~~ to have consideration of a few loans deferred pending human rights improvements in the countries in question.) Moreover, all of the loans we voted against or abstained on were approved over our opposition. This is not to say that our vote did not send a strong signal to the country in question but it does belie the Congressmen's apparent view that our positions on IFI loans have constituted "economic sanctions."

The countries that received the IFI loans that we voted against or abstained on number only eleven, as follows: ~~Argentina, Benin, Central African Empire, Chile, Ethiopia, Guinea, Korea, Paraguay, Philippines, South Yemen, Uruguay.~~ *It* It is beyond dispute that the

No Votes

- Argentina
- Chile
- Paraguay
- Uruguay

Abstentions

- Argentina
- Benin
- Central African Empire
- Ethiopia
- Korea
- Philippines

RIDER FOR PAGE THREE

The Congressmen state that they support your policy statements on human rights but believe that "the Congress may have over reacted in attempting to put these statements of principle into legislative form." This is a most puzzling assertion. First, the prototype for the Congressional action, the Harkin Amendment, was enacted before you came into office. Second, as you know, our efforts to provide more flexibility in human rights legislation has consistently been thwarted.

governments of these countries are engaged in clear-cut, serious violations of human rights, some in greater degree than others. In view of the seriousness of these violations and in light of our commitment to use our voice and vote in the IFIs to advance the cause of human rights, it would have been anomalous and ~~inappropriate to have simply supported the loans in question.~~

*insert*  
→

The Congressmen allude to "conditions" in the legislation that would "permit flexible administration."

They are presumably referring to the fact that the Harkin amendment applies only to governments engaged in "a consistent pattern of gross violations" of human rights and that even as to such governments the amendment permits a "yes" vote if the loan would help <sup>directly benefit</sup> the needy."

It is not clear <sup>which of the 11 countries are regarded by</sup> ~~whether~~ the Congressmen think <sup>as not being</sup> that the eleven countries listed above are not in fact

<sup>gross and consistent violators,</sup> ~~It is true that only one~~ <sup>judgment that ~~has~~ ~~our~~ ~~recommendations~~</sup> of the eleven countries has ever been formally designated <sup>were appropriate at the time they were made.</sup> by the U.S. Government as a gross and consistent violator.

<sup>we have more recently voted yes on loans to</sup> ~~namely Chile, in July, 1976.~~ But simply because we have <sup>two of the countries (Korea and the Philippines) on the</sup> ~~avoided taking the formal step of stigmatizing other~~ <sup>ground of human rights improvements</sup> ~~governments as gross and consistent violators does not~~

~~mean that they are not gross and consistent violators.~~  
~~Indeed, most of the eleven governments listed above~~  
~~arguably are. Thus, to use the statutory "condition"~~

-4-

as the Congressmen suggest, would either mean that our entire human rights policy in the IFIs affected only Chile or that we would have to go through the counterproductive enterprise of formally designating other governments as gross and consistent violators. We think either course would be a mistake.

As for the other "condition" in the Harkin amendment -- the "needy people" exception -- we have already put ~~about~~ as much strain on it as it can bear. We have for example voted for virtually all loans for the needy in each of the eleven countries listed above, except Chile.

Moreover, ~~we have in some instances stretched the definition of "needy" as far as it will go in order to permit us to support the loan in question.~~ *Given a broad construction to the* ~~definition of "needy" as far as it will go in order to~~ *a "needy people" loan in order to*

~~In commenting on what "we" have done, it should be~~

~~noted that~~ *A* all of our actions in this area are the result of deliberations by the Interagency Group on

Human Rights and Foreign Assistance, which Warren

chairs, ~~(hence, the so-called "Christopher Committee")~~

The Group, which was set up last April pursuant to an

NSC directive, has become the ~~brunt of especially~~ *target 7*

~~vitriolic and ad hominem criticism by one of the~~

~~Congressmen who signed the letter~~ *who have an interest in a particular* Charles Wilson of

~~Texas. Wilson is incensed that weapons and some bilateral~~ *Country, as Charles Wilson does in Nicaragua.*

economic assistance for Nicaragua have been held up pursuant to the Group's advice. We do not know the source of Wilson's intense interest in Nicaragua; we

~~do know he is a personal friend of Somoza. To meet~~  
*To respond to these*  
~~some of Wilson's unfounded criticisms and to assure a~~ *promote*

better understanding of the ~~rather substantial~~ lengths to which we have gone to assure that our foreign assistance programs reflect our human rights concerns, we have *prepared* ~~attached to the bill~~ the attached description of the Group's background and operations (T-1)

*We would emphasize*  
Finally, ~~we think the congressman ignore~~ that our human rights policy is by no means all "sanctions." We are *also* for example actively encouraging the IFI managements to channel a greater share of their lending to countries with good human rights records and to programs that serve basic human needs. We have urged several of our allies to convey the same message to IFI managements, and we believe some of them are about to do so. ~~In addition,~~ *We* are intensifying efforts to direct a growing share of our bilateral economic assistance to governments that show respect for human rights. In general, we believe that greater emphasis on "rewards" rather than "sanctions" can lead to ~~extremely~~ beneficial results. *As you know,*

*in response to P.D. #30 an interagency study is under way on the effectiveness of recent U.S. action in the IFIs, and it will shed further light on the issues discussed*

*Consistent with P.D. #30,*

*face*

In sum, we recommend no departure from the line we have been pursuing. We will see that the seven Congressmen are kept fully informed of our actions and will attempt to gain their understanding. In some cases, ~~such as Wilson's~~, that may prove impossible but ~~then again, so far as we can tell he is not representative of any significant body of opinion in Congress.~~

*insert from  
p. 2*

governments of these countries are engaged in clear-cut, serious violations of human rights, some in greater degree than others. In view of the seriousness of these violations and in light of our commitment to use our voice and vote in the IFIs to advance the cause of human rights, it would have been anomalous and inappropriate to have simply supported the loans in question.

The Congressmen allude to "conditions" in the legislation that would "permit flexible administration." They are presumably referring to the fact that the Harkin amendment applies only to governments engaged in "a consistent pattern of gross violations" of human rights and that even as to such governments the amendment permits a "yes" vote if the loan would help the needy. It is not clear, however, whether the Congressmen think that the eleven countries listed above are not in fact gross and consistent violators. It is true that only one of the eleven countries has ever been formally designated by the U.S. Government as a gross and consistent violator -- namely Chile, in July 1976. But simply because we have avoided taking the formal step of stigmatizing other governments as gross and consistent violators does not mean that they are not gross and consistent violators. Indeed, most of the eleven governments listed above arguably are. Thus, to use the statutory "condition"

-4-

as the Congressmen suggest would either mean that our entire human rights policy in the IFIs affected only Chile or that we would have to go through the counterproductive enterprise of formally designating other governments as gross and consistent violators. We think either course would be a mistake.

As for the other "condition" in the Harkin amendment -- the needy people exception -- we have already put about as much strain on it as it can bear. We have for example voted for virtually all loans for the needy in each of the eleven countries listed above, except Chile. Moreover, we have in some instances stretched the definition of needy as far as it will go in order to permit us to support the loan in question.

In commenting on what "we" have done, it should be noted that all of our actions in this area are the result of deliberations by the Interagency Group on Human Rights and Foreign Assistance, which Warren chairs (hence, the so-called "Christopher Committee"). The Group, which was set up last April pursuant to an NSC directive, has become the brunt of especially vitriolic and ad hominem criticism by one of the Congressmen who signed the letter -- Charles Wilson of Texas. Wilson is incensed that weapons and some bilateral

-5-

economic assistance for Nicaragua have been held up pursuant to the Group's advice. We do not know the source of Wilson's intense interest in Nicaragua; we do know he is a personal friend of Somoza. To meet some of Wilson's unfounded criticisms and to assure a better understanding of the rather substantial lengths to which we have gone to assure that our foreign assistance programs reflect our human rights concerns, we have widely circulated on the Hill the attached description of the Group's background and operations.

Finally, we think the Congressmen ignore that our human rights policy is by no means all "sanctions." We are for example actively encouraging the IFI managements to channel a greater share of their lending to countries with good human rights records and to programs that serve basic human needs. We have urged several of our allies to convey the same message to IFI managements, and we believe some of them are about to do so. In addition, we are intensifying efforts to direct a growing share of our bilateral economic assistance to governments that show respect for human rights. In general, we believe that greater emphasis on "rewards" rather than "sanctions" can lead to extremely beneficial results.

-6-

In sum, we recommend no departure from the line we have been pursuing. We will see that the seven Congressmen are kept fully informed of our actions and will attempt to gain their understanding. In some cases, such as Wilson's, that may prove impossible but then again, so far as we can tell he is not representative of any significant body of opinion in Congress.

WC RG 59

RC 1126/NWP 52947 (Box 9)

Box 15

HR - Congressional Relations  
(tab 13)