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THE WHITE HOUSE
WASHINGTON

28
DF

November 25, 1980

Mr. President:

Stu Eizenstat told me that you had an interest in seeing staff members try to use the media to set the record straight about what this Administration has accomplished. You may be interested in the attached letter to the London Economist.

100
Henry Owen

Attachment: As stated

Carter and aid

SIR—Your article about aid (September 13th) provides useful facts about our concessional economic aid programme, but a clarification of some of these issues may be helpful.

1. Amounts. Your lead paragraph talks about \$4.7 billion of aid to the third world. Ten paragraphs later you obliquely refer to an \$8 billion request for 1980, which was rejected by congress. The facts are that the United States government provided new programme commitments of \$8.4 billion in financial year 1979 for the third world. The \$4.7 billion is the 1979 expenditure figure.

2. Trends. The fact that bilateral aid has not been increasing rapidly reflects less anti-aid sentiment than a conscious decision by this administration to emphasise growth in multilateral aid. Appropriations for the multilateral banks have increased from \$676m in financial year 1976 to \$2.5 billion in financial year 1979. This involved considerable activity by the president vis-à-vis the congress; when he came back from the Democratic convention this summer, for example, one of the first things he did was to organise two successive congressional breakfasts to persuade members to support the World Bank and IMF bills.

I have served five presidents; none has worked harder than President Carter to increase aid. Budget authority for bilateral aid has also gone up, in each of the past four years, from \$4.2 billion in financial year 1977 to \$5.9 billion for financial year 1981—and this at a time when the war against inflation has dictated slow growth in domestic programmes.

3. Concentration. Development assistance commitments in financial year 1979 (\$1.9 billion) went to 68 countries, and food aid (\$1.1 billion) to 81 countries, which is about the same distribution as a decade ago. Only the economic support fund (\$2 billion) is highly concentrated; with the bulk of funds going to Egypt and Israel—but note that Egypt is among the poorer nations.

I am not trying to say that we are doing as much in aid as we should—few of the major industrial nations are; but I do want to make sure that the relevant facts about our programme are better known.

*The White House,
Washington DC*

HENRY OWEN

PS: Re your article on Poland on the same page: we gave Poland \$670m in Commodity Credit Corporation loan guarantees on September 12th of this year—the largest amount of United States financing of this type yet provided to Poland. Together with the \$325m loan from private banks mentioned in your article, of which \$220m came from American banks, this makes total recent American credits about \$900m—more than that provided by any other nation since the recent events in Poland.