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Congressional Leadership

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MEMORANDUM

NATIONAL SECURITY COUNCIL

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April 8, 1976

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
 Vice President Rockefeller
 Dr. Henry A. Kissinger, Secretary of State
 Donald Rumsfeld, Secretary of Defense
 David Matthews, Secretary of Health,
 Education and Welfare
 Brent Scowcroft, Assistant to the President
 for National Security Affairs
 Bipartisan Congressional Leadership (list attached)
 Leslie A. Janka (note taker)

DATE AND TIME: Wednesday, April 7, 1976
 8:05 - 9:25 a.m.

PLACE: The Cabinet Room
 The White House

SUBJECT: Swine Flu Immunization Program, the
 Turkish Base Agreement, Lebanon Strife,
 and Transition Quarterly Funding in the
 Security Assistance Bill

(The first 25 minutes of the meeting were taken up with the discussion of the President's request to Congress for funds for swine flu vaccine. Theodore Cooper of HEW described the likelihood of a pandemic in the winter of 1976-77 and the possibilities of launching a nationwide inoculation campaign.)

The President: I would now like to turn to Secretary Kissinger and ask him to make a few remarks on the Turkish Base Agreement and the situation in Lebanon.

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AUTHORITY OSAC Review 12/6/04, State visit 3/17/04
 BY leh NLF, DATE 4/19/07

Turkish Base Agreement

Secretary Kissinger: Let me begin with the Defense Cooperation Agreement with Turkey. The negotiations with Turkey resulted from the fact that Turkey suspended the 1969 agreement as a result of the congressional action which embargoed arms sales and military assistance to Turkey.

[REDACTED]

important is the crucial role of Turkey in NATO. It occupies a strategic position and contributes the largest ground forces to the NATO force structure. We believe it imperative that we restore our strong relationship with Turkey.

We are not doing this as a favor to Turkey. We are doing it because it is in our national interest. If you simply look at a map you can see how important Turkey is to NATO and the United States.

We have had to conduct our negotiations at a time when the Turkish elections are coming up. We have also had to repackage our historic military assistance relationship. The figures we are requesting are only slightly larger than what we would have requested for Turkey even in the absence of an agreement. There is a slight increase which could be seen as compensating for inflation.

We recognize that there is great concern in Congress about Cyprus, but if we link the agreement and Cyprus explicitly, we will create for ourselves a new Jackson-Vanik type problem and the agreement will fail.

[REDACTED] Turkey's links with NATO will be severely and permanently weakened. We have made it clear to Turkey that we expect flexibility on the Cyprus issue.

We are asking for a multi-year authorization, but this will still provide for annual appropriations so that Congress can have a yearly look at the progress Turkey is making on Cyprus.

Greek reaction has been unenthusiastic to put it mildly. With the Greeks, we are in the strange position that they have been beating us over the head in public but negotiating responsibly with us in private. We are currently negotiating a similar defense agreement with the Greeks. It is almost complete but we are now hung up on the Aegean dispute. The Greeks want us to take an explicit anti-Turkish line. They have been informed that we cannot in effect join a security agreement with one NATO ally against another NATO ally.

On Cyprus we face a very weird situation. Privately, the differences between the two parties' position look quite manageable. There are only two key issues: How the government is to be composed and how the territory is to be divided. The difficulty is that neither side will put

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forward any position publicly. For both countries it has become a purely domestic issue on which neither side wants to be seen as soft. We are, therefore, exploring the idea of sending an American to initiate a proposal on behalf of NATO. We are thinking of an envoy such as Ambassador Bruce. If that doesn't work, we may try to get the European Community to make a similar effort. The Cyprus situation is not like the Middle East, where the Israeli and Syrian positions are simply irreconcilable. The Greeks on Cyprus are manageable but it is nevertheless complicated by the complex Turkish election politics.

To sum up, we will submit the Turkish agreement to Congress later this week or sometime next week. I really want to urge you to remove this issue from our day-to-day politics. To turn it down would have the most profound consequences for U.S. interests and the security of NATO.

Representative Rhodes: Is there any possibility you could submit the Greek and Turkish agreements together?

Secretary Kissinger: I don't think doing so would be to the benefit of either country. However, we could send them up within a week or so of each other. In fact, we could hold up the Turkish one until we can see what the outcome of the Greek agreement will be. We have not announced it yet, but the Greek Foreign Minister may come to Washington next week. I will consider your recommendation in the timing of the two agreements.

Lebanon

Secretary Kissinger: Let me turn now to Lebanon. We are facing three issues in the Lebanese crisis--a split between the Christian and Moslem communities, the split between the radical and moderate political views, and the intervention of outside powers.

The Christian-Moslem conflict arises from the constitutional structure of Lebanon which is based upon the proposition that the Lebanese population is equally divided between the Christians and the Moslems. However, it is now estimated that the population is 60 percent Moslem, and this is especially true if you consider the influx of large numbers of Palestinians.

The Moslem community is further split between radical groups supported by the Soviet Union and Libya and what could be considered more moderate factions. Another complication is the fact that the leader of the radical leftists Kamal Jumblatt is a Druze and therefore cannot play any role in a constitutional confessional structure. He is therefore in favor of deconfessionalizing the Lebanese Government.

We also have the Palestinians who are divided into basically three factions. As you can see from this map, the population is divided in such a way that

the Christians hold the mountainous areas north of Beirut, while the PLO control territory in the south.

The Lebanese crisis began in the Christian-Moslem fighting last fall. From the beginning we were in touch with all parties. As you know, I met with the Lebanese Foreign Minister in September at the UN. However, the fighting worsened. The next phase was a Syrian mediation effort which succeeded in late January.

Today we are faced with the situation where there is no central authority of any kind in Lebanon. From the middle of March we have faced the danger that Syria might intervene. Our concern is based upon the fact that Israel would move into Southern Lebanon should Syria intervene in Lebanon and that would clearly risk a full scale Middle East war.

In this crisis we are facing a strange reversal of roles, with Syria supporting the Christians and fighting the PLO. Syrians are also supporting the moderate wing of the PLO, while cutting supplies to Jumblatt leftists and protecting the Christian areas. The Egyptians on the other hand are supporting the radicals because of their hatred for the Syrians.

The United States would prefer the same political outcome as the Syrians do, and so do the Israelis. But the United States and Israel do not want Syrian military intervention. But the paradox is that without Syrian intervention the PLO may in fact win. Our policy is designed to prevent a Syrian intervention, but to support their political mediation efforts along the lines of the January 22 settlement.

Last week we sent Ambassador Brown, one of our most senior and experienced diplomats, to Beirut in an effort to get communications going among the factions. We are the only country that everyone is talking to. So far, there is general agreement that there will be new elections for a new President and for getting parliament reconvened.

But I repeat the biggest problem is that there is no central authority at all in Lebanon, and even a new government will not have a strong security force to prevent the outbreak of new hostilities which could be started by any Lieutenant; and thus the whole thing would break down. If the cease-fire breaks down, Syrians will move in and Israel will surely move also. And therefore we have a very high potential for a wider Middle East conflict.

We have stopped Syrian intervention three times, so therefore the U. S. role is very important in keeping the parties restrained. We have been lucky and so far we have been making progress. We are now trying to

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get a security force set up with buffer zones between the factions. We are in close touch with all the parties, with the exception of the PLO, and we are in very close and constant touch with the Israelis.

The Lebanese economy is running down very badly. Each faction is surviving on outside support. The economy of Beirut is totally devastated.

Representative O'Neill: How do you explain what the Sixth Fleet is doing off the coast of Lebanon?

Secretary Kissinger: It is there for the possible evacuation of the 1,000 Americans left in Beirut. About 6,000 Americans have already left the country but our ships are not off the coast of Lebanon--they are about 36 hours away.

We recognize that any American force put into Lebanon would have to be prepared to fight all of the parties. We have never had and we have no intention now of putting American forces into Lebanon. The fact is that we could not even get diplomatically active until the Syrian mediation effort failed, simply because any U. S. action would tend to unite all parties against us.

Representative McFall: Can we get Egypt to pull out its support? Can the United States talk to the moderate PLO elements?

Secretary Kissinger: We are talking to the Egyptians now. Egypt will be willing to stand down if the Syrians could be kept out. But we have to recognize that the Egyptian role is really a minor one. On the whole, Syria has emerged as the supporter of the Christians and in opposition to the PLO and the Communists.

With regard to contacts with the PLO, we have had a firm policy of not talking to the PLO on the Middle East because the PLO will not recognize the existence of Israel. But we are now dealing with a Lebanese problem, not the broader Middle East issues. Nevertheless, we have so far not talked to the PLO.

Representative Anderson: Where are the radicals getting their arms from?

Secretary Kissinger: From Libya and Iraq. But the Syrians have acted to interdict the flow of supplies to the radicals by putting in its own troops disguised as Palestinians and by having its Navy patrol the coasts.

However, if Syria achieves the domination of the PLO factions, which is what it wants, then its policy in the Middle East might change. What we are working on is a Syrian political solution without Syrian intervention.

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Deconfessionalization would mean that the Christians would be made a permanent minority and Lebanon would become a pure Arab and a radical state, which neither Syria nor Israel would want on their borders. We have to recognize that the whole thing in Lebanon could fall apart very easily.

Representative Rhodes: Does Syria have territorial ambitions against Lebanon?

Secretary Kissinger: Syria lost some of the eastern valley territories when France created Lebanon. But more importantly, Syria has always wanted a dominant role in Lebanon. If the Syrians intervene militarily in Lebanon, they would smash the PLO just as the Jordanians did in 1970 and then reconstitute under Syrian domination. The question is what is the best outcome for the U. S. and Israel. We hope to be able to avoid making this difficult choice by achieving an independent Lebanon. Israel has been very restrained in all of this but the situation has very precarious elements in it.

Transition Quarter

The President: Let me turn to the last item on our agenda this morning and that is the issue of the additional funding for the Transition Quarter contained in the Security Assistance Appropriations bill. I understand that the conferees have broken up with a disagreement on the extra \$629 million for the Middle East.

Let me retrace what I did in submitting the FY 76 and FY 77 budget requests. I recommended \$1.5 billion military assistance and \$750 million for economic aid for Israel in FY 76. I did not recommend a request for any funds for the Transition Quarter. I also recommended \$1 billion military aid and \$800 million economic aid for Israel for FY 77.

At the time we put the budget together for FY 77, all of my technical and military advisers told me the \$500 million would be adequate military assistance for Israel. I took the initiative to increase that to \$1 billion for FY 77, of which half would be forgiven, in effect an outright grant. We also recognize that Israel wants more assistance and that they want assistance in the Transition Quarter. The Senate added \$550 million for Israel for the Transition Quarter.

Let me put this problem in this perspective. We have a tough budget year in 1977. It is incomprehensible to me that we would add \$629 million in a three-month period for Israel and the Middle East. I cannot justify such spending with all the constraints on our budget, especially adding that kind of money for Israel when all my advisers say that Israel can get by with less. We cannot go to the American people and say that they have got to tighten their belts at home and then turn around and give away that kind of

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money to Israel in the Transition Quarter. I want to make it very clear that I will have no alternative but to veto any appropriation bill with that kind of Transition Quarter funding in it.

Israel has been well taken care of in FY 76 and I have recommended ample funds for FY 77. To jam in another \$600 million for only three months is something the American people simply will not understand.

Chairman Morgan: Was any commitment made on Transition Quarter funding?

The President: No commitment was made to anybody for Transition Quarter funding. However, if you look at the shopping list that the Israelis gave us, it is very extensive. The Israelis want it all now but we think it can be phased over a longer time. Nevertheless, we have been very cooperative in providing rapidly some [redacted] critical equipment items. Our current funding levels are very adequate to Israel's military needs. We will make damn sure that Israel's security needs will be taken care of. But Israel simply can't push this country for higher funding levels in a tight budget year.

Representative Rhodes: If you have already provided money in FY 76 and FY 77, asking for extra money in the Transition Quarter is just a form of "double dipping".

The President: John, I won't use that phrase myself but it is clear that the Israelis are in better shape today than before the 1973 War. At the same time, Egypt has been cut off from supplies and spare parts from the Soviets and Egypt is weaker today than before the October War.

Senator Case: Mr. President, the Transition Quarter funding is not a question of just funding specific programs. The Israelis' economy is at the breaking point. It depends upon a continuous flow of American funds. The Transition Quarter interrupts that flow and I do not see why Israel should suffer because the United States changes its system of fiscal years. I am persuaded that the Israelis need these funds badly.

There was the question of who pushed for these funds. Of course the matter was brought to our attention by the Israelis, but we got clearance in the authorization process from the Secretary of State. I believe it would have great political significance to now move to cut out such funding. We have to recognize that Israel has a large number of bills coming due in this period and needs the money to cover them.

Representative Passman: The one thing I want to know is did you take into account in FY 76 funding for the Transition Quarter?

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The President: Yes.

Director Lynn: The real question here is whether the total budget authority is adequate for the entire period under question. The rate at which the Israelis scheduled their purchases is not directly related to when we make the budget authority available. It is analogous to the defense budget situation, where authority was provided but spending occurs over a different period. What we are seeing is a case where, to the extent the Israelis can drive up the budget authority levels in U.S. assistance, it solves for them the difficult choices they must make in meeting their domestic economic problems. We think we have fully provided for Israel in FY 76 and FY 77. All that additional Transition Quarter funds would do is simply make their foreign currency balances better for the Transition Quarter period.

Representative Passman: I held the line in keeping TQ funds out of the House Appropriations bill but I had committed myself to the levels the Senate might recommend. But when I heard, Mr. President, that you had added funds in the FY 76 budget for the TQ I had to break those commitments. I also want to point out that Israel now has \$1.9 billion in unobligated balances in the pipeline. We are now adding \$2.2 billion more for the current fiscal year and in another month we will add another \$1.8 billion for FY 77. Therefore, Israel will have \$5.9 billion in the pipeline. This amount exceeds the total amount of funding we've given Israel in the past 25 years.

I repeat that I had given commitments to support TQ funding as recommended by the Senate, but I broke those commitments when I received your letter saying that you had considered those amounts in deciding the FY 76 budget.

Senator Young: Without the Transition Quarter funding are you otherwise satisfied with the appropriations bill?

The President: There are some things we do not like in the FY 76 bill. For example, the military assistance program levels are set far too low. But we are satisfied with the Middle East levels for 76 except that we do not like the additional TQ funds.

Representative Morgan: I have agreed with Otto to take up the authorization conference report first.

The President: I understand that this is a difficult problem for you as well as the pressure you are under.

Representative O'Neill: Was there any commitment made for the amounts that Israel is asking for?

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The President: No, absolutely not. I did not make any commitment to Rabin when he was here. I did tell him that we would be giving them top consideration on hardware items, and Don Rumsfeld can verify the full consideration we're giving their shopping list.

Representative O'Neill: I would predict that the amendment will carry. Is there any talk of a compromise?

The President: None to my knowledge.

Representative Mahon: I can't say how the vote will go. I do know that if you veto the bill, you will be sustained. It is my hope that this trauma can be avoided. I hope the Senate can find some way to avoid insisting on this funding for now.

The President: If my veto is sustained and we must go to a CRA, Israel will go back to a level of \$600 million. Should my veto be overridden, I would simply send up a rescission and the Congress would have to vote on the matter again. I simply do not think the American people will understand or accept this level of additional funding.

Representative Passman: If you say that you have already considered the transition quarter in the FY 76 request, then this additional TQ funding is really a sixth quarter. I don't think the House will support that.

The President: I can't go quite that far, Otto. But it is true that I took into account the funding needs for the full period. When we recognized the TQ issue we went further and added funds in the FY 77 budget. OMB recommended a level of \$500 million, while I think the State Department recommended something like \$750 million. I recognized the realities and increased it to the level of \$1 billion for 77. We had made a commitment to Israel of \$1.5 billion in FY 76. I decided to give a total of \$2.5 billion over the 24-month period. I am convinced it is fully adequate for Israel's needs.

Representative Rhodes: The issue is simply, is there enough money for Israel. It is clear to me that you provide that.

The President: In effect I have put in 27 months' funding in a 24-month period.

Director Lynn: As we developed the budget, we were in a situation where we had already submitted the budget for FY 76 but its consideration was delayed in the Congress at the time we started talking with the President about the FY 77 budget. The Transition Quarter was already an issue and the President made the decision to add to the FY 77 levels but we did have adequate funding in 76 and therefore the total amount for 76 and 77 is more than adequate for the total period. I want to emphasize that we believed

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there was enough money in FY 76 for the fiscal year and the Transition Quarter. But even then, the President decided to add additional money in the FY 77 request.

I want to emphasize that we put the money in FY 77 because the budget committees asked us not to put funding in the Transition Quarter. They said please keep it in the fiscal year where we can keep track of it. We don't want to see special programs funded in the Transition Quarter period. Therefore, as you can see, we were simply trying to play it straight with the Congress, and what we have tried to do is to make sure that the total of FY 76 and 77 would fully meet Israel's needs.

The President: Thank you all for coming.

(After the meeting broke up, the President spoke informally with Representative O'Neill. O'Neill asked if the President was looking for a confrontation with the Congress on this issue. The President replied not at all. But he was convinced the American people simply would not understand the extra \$600 million for a three-month period. O'Neill asked if any compromise level could be found. The President replied that a compromise must be a two-way street and that if Congress would consider restoring the cuts made in MAP and other important programs, he might consider a compromise on the TQ level. But he again reiterated very strongly his refusal to accept an additional \$629 million in the TQ period.)

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The Vice President
The Secretary of State
The Secretary of Defense
The Secretary of Health, Education and Welfare
The Assistant Secretary for Health

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MEMORANDUM

NATIONAL SECURITY COUNCIL

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INFORMATION

April 9, 1976

ATTACHMENT

off

MEMORANDUM FOR: BRENT SCOWCROFT

FROM: LES JANKA *lj*

SUBJECT: Meeting with Bipartisan Leadership
Wednesday, April 7, 1976

Attached for your review is a Memorandum of Conversation drawn from my notes of the President's meeting with the Bipartisan Leadership which was held Wednesday, April 7, 1976.

RECOMMENDATION

That you review and approve the Memcon at Tab A.

 lj APPROVE

 DISAPPROVE



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NSC CORRESPONDENCE PROFILE

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STAFF SECRETARY						MEMO FOR PRES
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