

Ed

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~SECRET/NODIS/XGDS~~

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
Dr. Henry A. Kissinger, Secretary of State
and Assistant to the President
for National Security Affairs
Dr. James T. Lynn, Director, OMB
Donald G. Ogilvie, Associate Director
for National Security & International Affairs, OMB
Lt. Gen. Brent Scowcroft, Deputy Assistant
to the President for National Security Affairs

DATE AND TIME: Tuesday, October 28, 1975

PLACE: The Oval Office
The White House



The President: The Hill is in favor of a high aid budget -- so they can cut it and complain about our helping the world and not the U. S.

We have a real problem when I tell Defense and the others that they have to cut and aid isn't being cut.

Lynn: If you don't leave out Indochina, Henry's figures don't look bad, but they have pocketed that.

A rough cut at a budget increase of the Kissinger figures are an outlay of \$2.1 billion in '76 and \$2.7 in '77. OMB would go \$1.8 to \$2.0. The increase percentage would be higher than almost any other area.

Kissinger: And the biggest area for saving is the Middle East. And in that it is the Israeli item of MAP forgiveness. That is not really a foreign policy issue, but you will face massive problems domestically.

Lynn: I am immensely sympathetic with Henry's position, but you should know how it would look.

Deeper cuts would have to be made elsewhere. Henry A. Kissinger

DECLASSIFIED
RAC 5/5/08 NLF-MOC-16-0-1-3
AUTHORITY NISC Guidelines
BY bte NLS DATE 9/12/08

~~SECRET/NODIS/XGDS~~

CLASSIFIED BY
EXEMPT FROM GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
EXEMPTION CATEGORY 5 (b) (1, 3)
AUTOMATICALLY DECLASSIFIED ON Imp. to det.

The President: Did we promise the Israelis?

Kissinger: No. But you know what they are assuming -- the same as in '73. It isn't a foreign policy decision.

The President: I am willing to take the heat by going to 50-50. Everyone else has had to take a cut and the Israelis should also.

Kissinger: We should not reduce the Egyptian portion. That would really have foreign policy consequences.

The President: I agree. I am afraid that Congress may cut it, but we shouldn't.

[There is a discussion of programs country by country. Korea was confirmed, and Indonesia; Philippines went up to \$5 million foreign military sales (FMS); Malaysia to \$15 million.]

Lynn: Yemen is a problem. This is a new MAP recipient, in the face of Congressional demands to release and eliminate MAP.

Kissinger: It is a small program. The Saudis are doing most of it and they want an earnest of our support. [No decision was made. On Ethiopia, it was decided to give 11.7; the same as last year.]

The President: On Greece and Turkey: Here is where the hair gets short.

[They discussed the options]

Kissinger: Let me check what we have told the Greeks. If it isn't locked in concrete, I am prepared to cut the MAP and increase FMS. Maybe 75 MAP and 130 in FMS covers in Greece.

The President: The transition quarter.

Kissinger: I will go along with OMB.

[There was further discussion of Yemen.]



✓ P/K/Heyman/Ogelsie
28 Oct 75

P The Hill is in favor of a high and budget-
so they can cut & explain about helping
world & cut US.

We have a real problem when I tell self, etc,
they have to cut & cut out.

L Japan don't have a cut reduction, though
figures don't look bad, but they have pocketed
that.

A rough cut at budget increase of K figures
are outlay of 2.1 bil in 76 + 2.7 in 77. OMB
would go 1.8 to 2.0. The increase would
be higher than almost any other areas.

K And the biggest area for saving is M.F. And
in that it is a I item of MAP figures.
That is not really a F.P. issue but you will
face massive cuts domestically.

L I am immensely sympathetic w/ K's position, but
you should know how it would look.
~~Deep~~ cuts would have to be made elsewhere

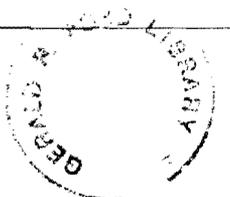
P Did we preview C I?

K No, but you know what they are assuming
C I as in 73. It is not a F.P. decision.

P I am willing to take a hit by going to 50-50.
Everyone else has had to take a cut & C I
should also.

K ~~The~~ We should not reduce C I portion. That
would really have F.P. consequences.

P I agree. I fear Cong may cut, but we
shouldn't.



* Yemen - Would we agree to 2.5 or 3 in ~~the~~ FMS
better than 1.5 MAP.

(~~They want~~ ^{Programs} (Discussed Country by Country)
~~Programs~~ Korea, Confined, Indonesia,
Phil went to 5 mil FMS, Malaysia to
\$15 mil.

K Yemen is a prob. This is a ~~new~~ MAP
request in face of Cong demands to reduce
& ~~abandon~~ MAP

K It is a ~~small~~ prog. Santos doing meet &
want an ~~earliest~~ form to support.
(Parcel ~~over~~ no decision)

(Ethiopia \$1.7 - same as last year)

P Greece/Turkey. Here is where I have felt that.
(Discussed options).

* * * K Let me check what we have told the Greeks. If
it isn't locked in concrete, I prepared to
cut MAP + increase FMS - maybe $\frac{75}{130}$
75 MAP + 130 in FMS ~~in~~ $\frac{80}{55}$ in
Greece.

P Transition quarter

K Will go along w/ OCA B.

(Yemen drawn)