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8AM-9:30 AM - Republican Leadership  
Meeting - Cabinet Room

Tuesday, April 22, 1975

## THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL/SENSITIVEMEETING WITH GOP LEADERSHIP

Tuesday, April 22, 1975

Time: 8:00 a.m.

Place: The Cabinet Room

From: Henry A. Kissinger

I. PURPOSE

To inform the leadership of the situation in Indochina and to discuss the status of your requests for military and humanitarian assistance and the status of U. S. evacuation efforts.

To discuss the status of your energy proposals in Congress and to provide an overview of current budget planning.

II. BACKGROUND, PARTICIPANTS & PRESS ARRANGEMENTSA. Background1. The Situation in Congress

The Senate Foreign Relations Committee has reported out a \$200 million bill providing humanitarian assistance and funds for evacuation efforts, but the bill contains unacceptable limitations on your ability to use U. S. forces to evacuate Americans and Vietnamese while requiring that the humanitarian aid be channeled through multinational agencies. The House International Relations Committee has passed a similar but much less restrictive bill providing \$150 million in humanitarian/evacuation funds. The Senate Armed Services Committee has rejected any additional military assistance funds beyond the \$300 million already authorized. The House Armed Services Committee and neither of the Appropriations Committees have yet acted.

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E.O. 12958, Sec. 3.4CONFIDENTIAL/SENSITIVE XGDSMB 92-7, #1, vsc Mr. 10/29/92  
By KBH NARA, Date 12/23/92

Action on the humanitarian aid legislation is likely in both Houses on Tuesday or Wednesday. Our current strategy is to attempt corrective amendments on the Senate bill and to seek a record vote on military assistance by introducing a floor amendment to the Senate humanitarian aid bill. There is little likelihood of obtaining any additional military assistance in either House, although there is some chance of obtaining a partial appropriation of the \$300 million already authorized.

## 2. The Situation in Vietnam

The military situation in South Vietnam continues to deteriorate. The North Vietnamese have rapidly brought several corps command headquarters south to direct the assault on Saigon. There are now some 17 divisions along the three major approaches to the capital. The Communists are also moving five sapper regiments into the Saigon area to disrupt government control, terrorize the population, and guide North Vietnamese regulars into the metropolitan area.

Saigon no longer has any reserve forces available to help defend the city, and the intelligence community does not believe that the South Vietnamese forces can prevent a total military defeat.

At the same time, the Communists appear to be ruling out any consideration of a genuine negotiated settlement of the conflict.

A tough line reportedly emerged from a secret briefing of senior Communist officials in COSVN (the top Communist headquarters in the South) on the ninth and tenth of April. Reports indicate that COSVN believed the "whole thing" would be finished in a short time and that the Communists would not agree to enter into negotiations, nor would they join any coalition government. It is too early yet to fully assess the impact of the resignation of President Thieu on Communist plans to attack Saigon or on the morale of the South Vietnamese defenders. Any positive vote on U.S. assistance will be helpful in stabilizing the situation and providing the best chance for negotiations, as our evacuation of Americans proceeds.

3. Energy

While a good deal of progress has been made, Congress is still delaying or proceeding in directions opposed to your proposals for a national energy program. On April 10 you again asked for rapid action on pending legislation and you have directed Frank Zarb to intensify his efforts to work with the Congress to resolve the outstanding issues and to restate the Administration's opposition to a program of specific control devices.

4. The Budget

Both the House and Senate Budget Committees have reported out budget levels higher than your recommendations. Director Lynn will be prepared to discuss the impact of the higher levels and outline prospects for future floor action.

B. Participants: See Tab A

C. Press Arrangements: Meeting to be announced. Press photo session.

III. TALKING POINTS

See Tab B - Indochina  
Tab C - Energy  
Tab D - Budget

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## PARTICIPANTS

The President  
The Vice President

### SENATE

Hugh Scott  
Bob Griffin  
Carl Curtis  
Bob Stafford  
John Tower  
Ted Stevens  
Milt Young  
Strom Thurmond  
Cliff Case  
Henry Bellmon  
Paul Fannin

### HOUSE

John Rhodes  
Bob Michel  
John Anderson  
Sam Devine  
Jack Edwards  
Barber Conable  
Lou Frey  
Jim Quillen  
Guy Vander Jagt  
Al Cederberg  
Bill Broomfield  
Bob Wilson  
Del Latta  
Herm Schneebeli  
Bud Brown

### STAFF

Secretary of State Kissinger  
Secretary of Defense Schlesinger  
Don Rumsfeld  
Bob Hartmann  
Jack Marsh  
Phil Buchen  
Max Friedersdorf  
Ron Nessen  
Bill Seidman  
Alan Greenspan  
Jim Cannon  
Jim Lynn  
Brent Scowcroft  
Dick Cheney  
Vern Loen  
Bill Kendall  
Frank Zarb  
Bob Wolthuis





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TALKING POINTS - VIETNAM

-- There are two topics I want to discuss with you regarding South Vietnam:

- My request for military aid; and
- Evacuation of Americans and Vietnamese.

-- First of all, I would like Henry and Jim to brief you on current developments and our evacuation efforts there.

[After briefing]

Military Assistance

- The situation in Vietnam today is largely of our own making. We have had a long and heavy involvement there and we were architects of the Paris Agreement. Therefore, we have a continuing heavy responsibility and whatever outcome finally develops will be heavily influenced by actions that we took or declined to take.
- Despite the fact that we have no legal commitment to help the South Vietnamese, it is absolutely clear that we have a very fundamental moral obligation to do so. After 15 years of pledges, the question clearly facing us is do we now repudiate them without any concern for the people who, having believed three American presidents, have put their faith in our word?
- The South Vietnamese are outnumbered more than three to one; the other side has more tanks and is able to bring greater fire power to bear at any particular place. Our most recent intelligence indicates that they are massing their forces around Saigon and are planning to attack soon.
- Given these odds, we cannot be at all sure that the South Vietnamese can defend their remaining territory. They seem determined to try and I believe we owe them the means to attempt this.
- I know there is little support on the Hill and among the public for military assistance but a vote for such assistance, even if you assume it may never be delivered in time to make a difference, will certainly help

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MR 92-7, #2, USC Mr 10/29/92

By KBH, NARA, Date 12/23/92

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bolster South Vietnamese morale and help stabilize the situation in Saigon, provide the best chance for negotiations, and facilitate the evacuation of Americans and certain very vulnerable Vietnamese.

- Also, a failure to act decisively would greatly undermine our position of leadership in the world and will seriously erode confidence in our word.
- I have instructed the State Department and the CIA to make an assessment of a reaction to these events by top foreign leaders. Let me share just two or three of these very private and confidential remarks with you.

Evacuation

- In Vietnam the American Government hired directly over 100,000 employees and actively encouraged people to join the government's side and to stand up and fight against the Communists.
- All of these people plus thousands of officers in the armed services could be subject to severe recriminations and even death. Initial Embassy reports indicate that many people have been executed already in Hue and Danang.
- I strongly believe that we have an obligation to give these people the means to defend themselves and if the worst should come to pass, that

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we must offer the most vulnerable of them the chance to escape this terrible fate. This is why I asked Congress for the authority to evacuate Vietnamese nations. I hope you will support this request and resist the kind of restrictions that would limit my flexibility in a critical, fast-moving and probably chaotic situation.

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INTRODUCTORY REMARKS FOR  
PRESIDENT FORD'S MEETING  
WITH  
REPUBLICAN CONGRESSIONAL LEADERSHIP

APRIL 22, 1975

I am happy to have the opportunity to discuss with you the status of our energy legislation and the possible alternatives available to us. As you know, I postponed decontrol and the further increases in the tariff to May 1 to allow more time for Congressional action. That date is about one week away and before I made any decision I wanted to hear your assessment of the situation.

FEA Administrator Frank Zarb will brief you shortly on the progress of House and Senate energy bills. The House bills are further along than the Senate and seem to more fully recognize our fundamental market system approach to conservation.

Nonetheless, there are problems. I am particularly concerned about moves to further complicate oil pricing regulations, to control the price of intrastate natural gas, to stifle my authority to act in a crisis, and to impose mandatory allocation or quotas which will result in self-imposed embargo.

Frank, will you please summarize where we are at this time?



## TALKING POINTS ON THE BUDGET

1. We would also like to take a few minutes this morning to discuss the budget legislation that will be before the Congress in the very near future.
2. As you know, I have set a figure of \$60 billion as the maximum deficit for the next fiscal year, and I have expressed the view that if we go beyond this figure, it will have a very damaging effect on our ability to control spending and inflation.
3. Jim Lynn has been following this legislation very closely, and I have asked Jim to give us a report on the status of the budget legislation and reiterate some of the recommendations that we have been making before the Budget Committee.
4. Jim will give us a very brief report then I will appreciate it if the leaders, particularly Senator Bellmon and Congressman Latta of the Budget Committee, would give us the benefit of their views on this important issue.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

April 21, 1975

INFORMATION

MEMORANDUM FOR: THE PRESIDENT  
FROM: JAMES T. LYNN *Oheir*  
SUBJECT: The House and Senate Budget Committee Reports

Two major policy thrusts are apparent from a reading of the House and Senate Budget Committee reports on the 1976 budget:

- Expansion of nondefense functions of the budget, particularly human resources, at the expense of defense and international affairs. The House Budget Committee proposes cutting the national defense function by about \$4.2 billion, the Senate Committee by \$2.7 billion.
- Acceptance of a larger deficit than the Administration's proposal, justified (at least in part) as a means to combat the recession. The House Budget Committee suggests a \$73.2 billion deficit, the Senate Committee \$67.2 billion.

Outlays

The President's budget is now estimated to total \$355.6 billion in outlays in 1976. The House Budget Committee proposes outlays of \$368.2 billion and the Senate Budget Committee proposes outlays of \$365.0 billion. In both cases, major increases result from rejection of proposed rescissions and deferrals, greatly increased public works and public service employment proposals, outright program increases, and elimination or dilution of the 5% "cap" proposals on Federal pay and programs tied by law to the cost of living.

Receipts

Both committees have receipts estimates very close to the Administration's current estimate of \$295.6 billion. The House Committee assumes receipts of \$295.0 billion, the Senate Committee \$297.8 billion. Differences are



due to economic assumptions somewhat different from those currently being used by the Administration and different assumptions on whether temporary features of the tax reduction bill will become permanent.

#### Economic Assumptions

The House Budget Committee projections for calendar year 1975 do not differ greatly from those of our recent OMB/CEA/Treasury staff forecast. The calendar year 1976 projections, however, are quite different. The House Budget Committee assumes a much more robust economic recovery, with real growth of 8.5% as compared to our staff forecast of 6.2%. Consistent with this, it estimates calendar year 1976 unemployment at 7.3%, compared to our staff projection of 8.2%. At the same time, the committee's projection of inflation is somewhat more optimistic than ours for calendar year 1976.

We do not yet have a clear picture of the Senate Budget Committee's economic assumptions. However, we are reasonably certain they will be close to those used by the House Committee.

FISCAL YEAR 1976 BUDGETS, BY FUNCTION  
(In billions of dollars)

<u>Function</u>	<u>President (February 4)</u>		<u>President (April 4)</u>		<u>House Budget Committee</u>		<u>Senate Budget Committee</u>	
	<u>Budget authority</u>	<u>Outlays</u>	<u>Budget authority</u>	<u>Outlays</u>	<u>Budget authority</u>	<u>Outlays</u>	<u>Budget authority</u>	<u>Outlays</u>
National defense.....	107.7	94.0	107.7	93.9	99.8	89.7	101.0	91.2
International affairs.....	12.6	6.3	12.6	6.3	4.7	4.9	6.0	4.9
General science, space, and technology.....	4.7	4.6	4.7	4.6	4.7	4.6	4.7	4.6
Natural resources, environment, and energy.....	12.2	10.0	12.2	10.2	14.1	11.5	13.4	11.7
Agriculture.....	4.3	1.8	4.3	1.8	4.3	1.8	4.3	2.0
Commerce and transportation.....	6.6	13.7	6.6	14.7	11.7	19.8	9.5	16.6
Community and regional development.....	5.2	5.9	5.2	6.0	10.8	9.5	6.0	6.6
Education, manpower, and social services.....	13.7	14.6	13.7	16.6	19.0	20.4	20.7	19.4
Health.....	31.0	28.1	31.0	28.4	33.1	30.7	32.6	31.0
Income security.....	135.3	118.7	137.5	120.9	141.3	123.9	138.5	126.1
Veterans benefits and services..	16.2	15.6	16.8	16.2	18.0	17.5	17.6	16.9
Law enforcement and justice.....	3.2	3.3	3.2	3.3	3.3	3.4	3.3	3.4
General government.....	3.3	3.2	3.3	3.2	3.3	3.4	3.3	3.2
Revenue sharing and general purpose fiscal assistance.....	7.3	7.2	7.3	7.2	7.3	7.2	7.3	7.2
Interest.....	34.4	34.4	34.4	34.4	35.0	35.0	35.3	35.3
Allowances.....	8.3	8.1	8.3	8.1	1.3	1.1	1.3	1.1
Undistributed offsetting receipts.....	-20.2	-20.2	-20.2	-20.2	-16.2	-16.2	-16.2	-16.2
Total.....	385.8	349.4	388.6	355.6	395.6	368.2	388.6	365.0
Receipts.....		297.5		295.6		295.0		297.8
Deficit.....		-51.9		-60.0		-73.2		-67.2

April 21, 1975