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THE WHITE HOUSE

WASHINGTON

July 18, 1975

MEETING WITH REPUBLICAN CONGRESSIONAL LEADERS

Monday, July 21, 1975 8:00 - 9:15 A.M. (75 minutes) The Cabinet Room

From: Max L. Friedersdorf . .

I. PURPOSE

To consult and advise leaders on energy and Turkish Aid legislation.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

- 1. Both the House and Senate will consider resolutions of disapproval for the President's phased, compromise oil decontrol plan tomorrow, Tuesday, July 22. It is anticipated the resolutions will pass, thus rejecting Administration decontrol.
- 2. The Senate has passed, 62-29, a six months extension of the Allocation Control bill (S. 1849), and the House is expected to vote on S. 1849 this week.
- 3. Both the House and Senate have passed the unacceptable, dirty decontrol conference report (H.R. 4035) and the votes against the measure (40 in the Senate; 172 in the House) indicate a Presidential veto can be sustained.
- 4. The House has also been considering for a week the unacceptable Dingell energy bill which moves toward a price rollback. It is likely to pass the House in a highly objectionable form. No Senate action is anticipated prior to the August recess.
- 5. At this point it appears the Congress will reject the President's decontrol; and the President's veto could likely be sustained on the Congressional control allocation extension bills.

- 6. If an impasse develops, Congress might move toward a simple extension of 30 to 60 days to get beyond the recess. A veto would be more difficult to sustain on a short term extension.
- 7. The House will vote Tuesday or Wednesday on the Morgan-Broomfield compromise partially lifting the Turkish Arms embargo.
- B. Participants: See Tab A
- C. Press Plan:

Announce as regular Republican leadership meeting; press and White House photos.

- III. AGENDA See Tab B
 - IV. TALKING POINTS See Tab C

PARTICIPANTS

The President

SENATE

Hugh Scott
Carl Curtis
Ted Stevens
Bob Stafford
John Tower
Milton Young
Paul Fannin
Cliff Case

HOUSE

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

STAFF

Secretary Kissinger Secretary Schlesinger Secretary Morton Secretary Dunlop Don Rumsfeld Jack Marsh Phil Buchen Max Friedersdorf Alan Greenspan Ron Nessen Bill Seidman Jim Cannon Jim Lynn Frank Zarb Brent Scowcroft Dick Cheney Vern Loen Bill Kendall Gwenn Anderson

REGRETS

The Vice President Bob Hartmann Sen. Griffin Sen. Curtis

AGENDA

9:15 A.M.

8:00 - 8:15 A.M. (15 minutes)	President opens meeting and reviews various energy measures.
8:15 - 8:25 A.M. (10 minutes)	President calls upon Frank Zarb for comments on energy legislation situation.
8:25 - 8:35 A.M. (10 minutes)	President calls upon leaders for comments on energy situation in Congress.
8:35 - 8:45 A.M. (10 minutes)	President reviews importance of passing bill this week partially lifting arms embargo on Turkey.
8:45 - 9:00 A.M. (15 minutes)	President invites leaders comments on Turkish Aid vote.
9:00 - 9:15 A.M. (15 minutes)	President invites leaders comments and discussions on other issues of interest. (Common situs picketing may be mentioned and Rhodes and Secretary Dunlop could report on status).

President concludes meeting.

TALKING POINTS

- 1. Thank you for coming down this morning. I would like to discuss with you my plans for decontrol of old oil and extension of the current petroleum allocation and price controls.
- 2. Last week I sent to the Congress a 30 month decontrol plan, coupled with a \$13.50 cap on domestic crude oil. This program is gradually phased in to avoid concerns about adverse economic impact. The cap would protect domestic crude oil prices from further OPEC price increases.
- 3. I understand it will come to a vote tomorrow. I think it is an effective plan to help achieve energy independence and also a fair compromise.
- 4. I also have before me H. R. 4035. I will today veto this legislation because it extends the price and allocation authority for 6 months without addressing the decontrol problem. It has other objectionable provisions, such as the roll back of domestic prices for new oil. Compared with my decontrol plan, this legislation would result in 350,000 barrels per day greater imports in 1977.
- 5. I hope the Congress will not disapprove my decontrol plan. If it is accepted, I will sign a simple extension of the price control authorities. If my plan is disapproved and Congress only enacts the simple 6 month extension now under consideration, I will veto it also.
- 6. I would welcome your assessment of the Congressional situation on decontrol and extension of current allocation and price control authorities.

BACKGROUND MATERIAL AND TALKING POINTS ON RESTORATION OF MILITARY ASSISTANCE TO TURKEY

I. BACKGROUND

- A. <u>Congressional Developments</u>: On Friday, July 11, the House International Relations Committee reported H.R. 8454, as modified by the Fraser amendment, which will provide for a partial lifting of the Turkish aid embargo. The bill, as reported:
 - -- removes the suspension with respect to defense articles and services for which Turkey has already signed contracts;
 - -- lifts the embargo on commercial sales to Turkey;
 - -- prevents future military sales on a cash or credit basis by the U.S. Government until the next Foreign Assistance Act is considered by the Congress, probably not until the end of this year;
 - -- includes provisions for consultations with Greece for military and economic assistance in that country; and
 - -- provides for continuation of humanitarian aid for Cyprus refugees.

In addition, the legislation requires periodic reports from the President on progress toward a Cyprus settlement, and on consultations with Greece on military and economic assistance.

Since the Committee took action, the Turk ish aid issue has been a topic of discussion at your meeting with the Bipartisan leadership Monday, July 14, and at the breakfast attended by some 130 House Members on Thursday, July 17. At these meetings, you stressed that although the bill, as reported, did not meet all the desired objectives of the Administration it represented a responsible compromise and positive Congressional action.

The absence of current positive steps by the Turks in the Cyprus negotiations and concerns over the poppy issue continue to pose a problem to some members. Nevertheless, your meetings have

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NSC Memo, 11/24/98, State Dept. Gridelines

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enhanced the momentum in the direction of favorable House action. State, Defense and White House Congressional liaison people are working to sustain that momentum until the legislation comes to a House vote later this week.

The bill is now under consideration in the House Rules Committee and is expected to come to the floor for a vote on Wednesday, July 23.

B. Turkish Developments: On July 17, the Turkish deadline for restoration of military aid or commencement of consultations on the future of U.S. installations on Turkish soil came due. Turkish actions continued to be restrained, in effect postponing consideration of the bases issue until after Congressional action is completed. This decision was taken by the Demirel government at the risk of incurring considerable domestic abuse and (in the Foreign Minister's words) "in the interests of US-Turkish relations." At the same time, the Turks have indicated that they do not consider themselves bound by the resolution adopted recently by the Islamic Foreign Minister's Conference calling for the expulsion of Israel from the United Nations. In effect, the Turks reaffirmed their independent stance on the Arab-Israeli issue, distancing themselves as much as possible from the Arab initiative.

Your purpose in this meeting with the leadership will be:

-- to urge maximum support for favorable action in the House when the compromise legislation on Turkish military aid reaches the floor later this week.

II. TALKING POINTS

A. Legislative Action:

1. As I emphasized in my July 9 letter to Speaker Albert, urgent positive action on Turkish military aid is essential to U.S. and NATO interests. I would hope that you will be able to move the bill on the House floor without delay and that a favorable vote will be forthcoming this week.

- 2. The need is for immediate legislation to restore to an important NATO ally access to U.S. sources of supply for spares, components, and other material compatible with previously supplied U.S. military equipment. This will enable Turkey to fulfill its NATO role, will safeguard vital U.S. installations in Turkey, and will remove a substantial impediment to progress in the Cyprus negotiations.
- 3. We need your maximum leadership and support on the floor when the Turkish aid bill is voted on later this week. Although the bill does not meet all our desired objectives, it does provide for at least partial lifting of the embargo, and some positive action is absolutely essential.
- 4. We need at least 100 Republicans to vote in favor of the bill.

 How does that look?
- 5. What does the situation look like from the Democratic side?
- 6. I would like to have the House vote on a clean bill. Further amendments would only complicate an already very complex situation. This is particularly true of any efforts to include some form of assistance to Greece. Although this might ease the situation for some members with large Greek-American constituencies, it would only serve to complicate matters with the Greek Government. They don't want to appear to be "bribed," and that is not our intent. As to the Cyprus refugee situation, refugee assistance will be included in the development aid bill.
- 7. What is the current mood of the Senate on the issue in terms of the possible outcome of a conference?

B. Turkish Measures to Control Opium Production

- 1. Several Congressmen have expressed real concern over Turkey's resolve to control international drug traffic.
- 2. Since permitting the resumption of opium poppy cultivation (an important cash crop for Turkey) last year, the Turkish government has taken a number of positive measures to control illicit production of opium, including tight controls on poppy cultivation and opium production and increased surveillance and enforcement efforts.

- 3. A U.N. inspection team recently reported favorably on the Turkish opium control program.
- 4. While we cannot prejudge the results of the new Turkish controls, they appear to be substantial and relevant and all indications are that the Turks are determined to enforce controls effectively.

C. Overall Importance on Restoration of Military Aid

- 1. The downward spiral in US-Turkish relations that would result from a prolongation of the embargo is contrary to U.S. and Turkish interests. It will also deal a heavy blow to the NATO Alliance, at a time when other major, unsolved problems exist in the Mediterranean -- Portugal, Spain and the Middle East.
- 2. The USSR is not blind to this situation. Just over a week ago they announced new economic agreements with Turkey. The Soviets are seeking to take full advantage.
- 3. Turkey remains loyal to NATO. Moreover, with its strategic location and a half million men under arms, its importance to the Alliance should be obvious.
- 4. The arms embargo has not been an effective tool in bringing pressure on the Turks regarding a Cyprus settlement. The Turks insist that these two issues cannot be linked.
- 5. The fact remains that the only way to get what we all want, a just and broadly acceptable Cyprus settlement, is through negotiations. The U.S. can be helpful in moving the negotiations along only to the extent that we are able to maintain maximum flexibility with all the parties.



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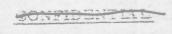
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By Why , NARA, Date 5/15/00

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