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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON September 10, 1974

MEETING WITH BIPARTISAN LEADERS

8:30 - 9:30 A.M. (1 Hour)
Thursday, September 12, 1974
The Cabinet Room

From: William E. Timmons

I. PURPOSES

To brief bipartisan leaders on international developments and urge approval of responsible foreign assistance legislation.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

- Over the years Congressional support for foreign aid
 has been eroding steadily. Opposition stems from competition for funds for domestic programs and a "hangover"
 from the Vietnam War.
- 2. Military assistance to South Vietnam (MASF) is in the Defense Appropriations bill now in conference. The Administration requested \$1.45 billion, the Congress authorized \$1 billion and both Houses passed only \$700 million.
- 3. The Foreign Assistance Authorization has been reported by the Senate Foreign Relations Committee and a similar bill is in mark-up before the House Foreign Affairs Committee.
- 4. The Administration requested \$4.1 billion for Foreign Assistance. The Senate Committee bill is \$3.4 billion and House version is \$3.6 billion.

1 11. 14 4 3. 9. 6 5. Perhaps more troublesome than the program cuts are unprecedented restrictions on your flexibility under the Act.

B. Participants:

Listed in Tab A. In addition to regular leaders, guests will be chairman and ranking Republicans from Foreign Relations/Affairs, Armed Services and Appropriations.

C. Press Plan:

Meeting to be announced by the Press Office. White House news photographers to take still and television film at beginning of meeting. There will be no Congressional briefing afterwards (although Members will be approached as they depart for their cars).

III. TALKING POINTS

In Tab B. Furnished by NSC.

PARTICIPANTS

Executive

The President

The Secretary of State

Administrator of Agency for International Development

Sonate (Daniel Parker)

Senate

James Eastland

Mike Mansfield

Robert Byrd

Frank Moss

John Stennis

John McCl**ella**n

John Sparkman

Hugh Scott

D - 1 - - - C - : (C:

Robert Griffin

Norris Cotton

George Aiken

Strom Thurmond

Milton Young

House

Carl Albert

Thomas O'Neill

John McF**all**

Olin Teague

Edward Hebert

George Mahon

Wayne Hays

_

John Rhodes

Les Arends

John Anderson

William Bray

Elford Cederberg

Staff

Anne Armstrong

Roy Ash

Dean Burch

Robert Hartmann

John Marsh

Al Haig

William Timmons

General Brent Scowcroft

Tom Korologos

Gene Ainsworth

Vern Loen

Regrets

Senator William Fulbright - in China

Rep. Thomas Morgan - out of town

Rep. Peter Frelinghuysen - in China

TALKING POINTS

INTRODUCTION

Gentlemen, if you don't object, we have a request for press photographs -- which should take just several minutes.

(Press photographers)

Today, I will transmit to the Congress a Special Message listing some of the pending legislation which I hope can be enacted during this session. I'm sure each of you could disagree with my list -- as I might with yours.

Unfortunately, because of the time constraints we work under, I call attention mostly to imperatives rather than to seek approval of all the measures supported by the Administration.

One of the bills highlighted in the Message deserves special attention and that is the purpose of this meeting -- foreign assistance.

TALKING POINTS

- I would like to discuss two aspects of foreign assistance which disturb me deeply.
 - -- First, the funding levels for economic and military aid to Vietnam are dangerously low and threaten to negate all we have achieved in Vietnam at great sacrifice to this country.

We have a commitment to Vietnam which we cannot disregard. Failure to meet at least the minimum requirements of this commitment would have repercussions that would go far beyond Southeast Asia. This could, in turn, seriously damage our worldwide credibility as an ally.

- -- Second, the Foreign Assistance Act as reported by the Senate Foreign Relations Committee contains a number of amendments which would severely limit my authority to conduct United States foreign policy. Some, for example, would make it virtually impossible for me to take appropriate actions in crisis situations.
- 2. I will ask Secretary Kissinger to go over the specific funding levels and restrictive amendments at issue. I would then like to discuss the further consideration of the bill in the weeks ahead.

[Secretary Kissinger briefs - 20 Minutes]

- 3. Henry has highlighted the major problem areas. I would again like to emphasize my concerns.
 - -- The limitations on the President's authority to waive restrictions of the Act when such a waiver is clearly in the interest of national security;
 - -- the limitation on authority to draw down Defense stocks, when the action is clearly necessary. This authority has been used very sparingly in the past to react to urgent requirements in Israel and Cambodia. It would continue to be used in this manner under my personal authority.
 - -- the elimination of authority to shift funds between accounts and between countries where absolutely necessary to meet unexpected crises.

These are unacceptable restrictions which would prevent me from protecting our security interests abroad. I ask your support in meeting these obligations, and the responsibility we share to the nation and to our allies.

- -- The funding levels of all programs are, of course, subject to detailed negotiations. However, we are already far advanced in Fiscal 1975, and I would ask that you reconsider the levels to permit continuation of programs that are vitally important.
- 4. As I stated before, I am particularly concerned by the problems of underfunding in Vietnam. Inadequate support there will undermine confidence in the role of the U.S. and can only strengthen the will of Hanoi. Lack of fuel and ammunition will prohibit the use of the weapons we have already provided. The Vietnamese military can only attain 40 percent of the capability of last year at the \$700 million level you propose.
- 5. With regard to the Foreign Aid bill, I would hope that during consideration of the bill in your committee Doc and during floor debate in both Houses it will be possible to restore \$150 million to the Indo China Postwar Reconstruction request. Further, in the event delays are encountered, I would hope that you would bear in mind this higher level of funding when preparing the continuing resolution to carry us into next year.
- 6. I would welcome your views.

[Discussion]

7. Gentlemen, I fully understand your interest in fiscal austerity. I am acutely aware of the competing demands for funds at home, the problems of inflation, and the necessity for economic stability. However, the bill as now proposed would make it virtually impossible to conduct an effective foreign policy program. I ask your support in correcting the problems I have outlined today.