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THE PRESIDENT HAS SEEN

12/3/74

THE WHITE HOUSE

WASHINGTON

RECOMMENDED TELEPHONE CALL

TO:	Senator Humphrey
DATE:	November 27, 1974
RECOMMENDED BY:	Brent Scowcroft and Bill Timmons
PURPOSE:	Provide guidance on Presidential desires on the Foreign Assistance Act.
BACKGROUND:	The Senate version of the Foreign Assistance Act was reported out of Committee on Novem- ber 26th. There were several undesirable amendments which we would like to see eliminated.
TALKING POINTS:	 Hubert, I want to thank you for all your work over the years on Foreign Assistance legislation. Your long hours spent shepherding the bill through this year, at a time of economic problems domestically, is particularly appreciated. You and the Committee have done a very fine job in eliminating a number of bad features in the bill. As you know I want a Foreign Aid Bill and I want to help you get the right kind of bill, one which will be responsive to the needs of the world today and our own vital role in it. In this regard, I wanted you to know where I still have problems
The to know	with the bill. 2. We need to keep Military Assistance to Vietnam in the Defense Budget. The size of military assis- tance to Vietnam (nearly \$1 billion) will seriously imbalance future foreign aid bills. It will seriously complicate the Committee's job of carefully reviewing

at least another year.

Administration requests for other programs. The shift won't mean any real increase in control of the program. We are making a vigorous effort to tighten up its operation now. It is just too soon to make this shift. We need to keep it in Defense

3. The Cambodian ceiling, without the additional support of drawdown authority, is inadequate. We risk losing Cambodia. They will run out of ammunition and other essentials in the Spring of 1975. The Communists will interpret this action as a U.S. decision to write off Cambodia. Any chance of a negotiated peace will be lost. I know that you have agreed to try to get this drawdown authority restored in Conference. We will be counting on your support.

4. The ceiling on Korea and the phase-out by the end of 1977 is just not in our interest. We need more than the \$133.9 million in the Committee bill this year to make the shift from grant to credit assistance. And we need time to do it in an orderly way. South Korea is a real example of how, with the help of foreign aid, a nation has pulled itself up by its own boot straps to economic strength. We want to push that development forward. Korea is now and can continue to be the keystone of defense in North Asia. Your help in getting Conference agreement to exempt Military Sales from the ceiling will be a big help.

The Committee bill would require me to deter-5. mine that all covert operations abroad are important to national security, and to notify the appropriate Committees in advance. Covert operations must be rigidly controlled, and I assure you that I am exerting that control. But by their very nature, knowledge of them must be limited to a very small number. The oversight committees are fully informed and I have directed that they be kept so informed and consulted on a continuing basis. I believe that this meets the objectives sought by the Committee bill and that specific legislation is not necessary. The House of Representatives has dealt with the oversight question in its Rules. I do not think it is appropriate to include such a provision in the Foreign Assistance Act.

6. We need to be able to provide limited military assistance to Chile in support of our own U.S.

interests. In a pragmatic sense, aid to Chile counters Soviet intrusion in Peru, and provides the U.S. the political leverage to accomplish all that we would like. We do not like or condone the repressive acts of the Government there. We are exerting our influence to get them to change their ways. But cutting off aid won't help -- it will reduce our influence, not increase it.

7. I make these comments in full appreciation of the efforts you and the Committee have already made. But these other areas I have mentioned are all important in producing a bill truly responsive to our foreign policy requirements. To the extent you can be of further help on these items I shall be additionally grateful.

Date of Submission:

Talked with of A A. ACTION

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