

The original documents are located in Box C21, folder “Presidential Handwriting, 5/14/1975” of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

THE WHITE HOUSE
WASHINGTON

May 14, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JIM LYNN
FROM: JERRY H. JONES
SUBJECT: Availability of Funds to Meet
Indochina Refugee Requirements

Your memorandum to the President on the above subject has been reviewed and your recommendation -- to instruct OMB to (1) work with Defense to transfer the maximum funds from Indochina military aid to State as soon as possible, and (2) request AID to reexamine its preliminary legal judgment to see whether the funds transferred to State could not be used for refugee resettlement as well as processing in the United States -- was approved.

Please follow-up with the appropriate action.

Thank you.

cc: Don Rumsfeld

THE WHITE HOUSE
WASHINGTON

Don -

This is follow
up the President
wanted on Scott/
Mansfield call.

Please get approval.
John



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

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES T. LYNN
SUBJECT: Availability of Funds to Meet
Indochina Refugee Requirements

There are three reasons for the slowdown in refugee processing:

- Inadequate funds.
- Legal restrictions on the use of existing funds for resettlement activities in the U.S.
- Administrative bottlenecks in processing the refugees.

Funding Availabilities. AID has transferred to State \$98 million in economic assistance funds which had been programmed for Vietnam. Against these availabilities, the Task Force has identified \$93 million in costs which have been incurred, primarily by Defense. Although this estimate may change somewhat, State and Defense believe they are not legally able under the Antideficiency Act to obligate funds above the available \$98 million.

The only solution to this problem is to transfer already appropriated Defense funds to State for the refugee program. As much as \$50-100 million may ultimately be deobligated from the canceled Defense Assistance to Vietnam account and transferred to State. Although the final availabilities will not be known for 30 days, Defense is attempting to determine whether it has legal authority to make an initial transfer (\$17 million) to State within the next few days. Defense is moving as fast as possible to identify the amount and timing of further deobligations from this source.

We have also explored the possibility of transferring funds from other existing sources, particularly AID, as suggested to you by Senators Scott and Mansfield. AID is specifically prohibited by restrictions in the 1974

Foreign Assistance Act from transferring funds into the Indochina Postwar Reconstruction account (which is the only account that provides authority for refugee relief). Although we are continuing to examine other alternatives, we have been unable to discover any transfer authorities which would enable us to utilize other funds.

Legal Restrictions. AID lawyers have ruled that they do not have the authority to use the existing funds for resettlement of refugees once they have left the processing centers in the United States. Because the funds are still governed by the authorities of the Foreign Assistance Act, the lawyers do not believe they can be used for resettlement activities in the United States which are more in the nature of domestic welfare activities. Nevertheless, the lawyers recognize that a legally defensible case might be made for use of these funds for resettlement, if necessary, but argue that it would be stretching the interpretation.

The legal interpretation is critical since most refugees cannot be moved out of the processing centers until funds are provided to the voluntary agencies responsible for resettlement. There is no space for more refugees in the centers, so no further progress will be possible until new funds are appropriated for this purpose or a decision is made to use the existing funds from foreign aid sources to resettle refugees.

Administrative Bottlenecks. Even if funds were available for resettlement, there are short-term administrative constraints on processing the refugees. Of particular concern is the need to implement the security clearance procedures promised to Congress. Five separate clearances are required (CIA, DIA, State, FBI, and DEA), and these are proceeding slowly. As of yesterday, of the 6,000 names submitted at Fort Chaffee, less than 100 had been cleared. Once the clearance process has been fully implemented, however, the Task Force expects to clear 3,000-5,000 per day, perhaps as early as the end of the week.

As the flow of refugees from the centers increases, problems will intensify in arranging transportation and particularly in locating and checking sponsors for the bulk of the refugees who do not have direct sponsors. These constraints will continue to slow the movement of refugees out of the centers and would be causing a backup in the pipeline even without the funding problems.

Recommended actions

Assuming that you wish to use existing funds wherever possible, I recommend that you instruct OMB to (1) work with Defense to transfer the maximum funds from Indo-china military aid to State as soon as possible, and (2) request AID to reexamine its preliminary legal judgment to see whether the funds transferred to State could not be used for refugee resettlement as well as processing in the United States. I will provide a status report to you on Thursday.

Approve _____

A handwritten signature in black ink, appearing to be 'DRY', written over a horizontal line.

See me _____