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THE WHITE HOUSE

WASHINGTON

May 6, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JAMES T. LYNN

FROM:

JAMES E. CONNOR *JEC*

SUBJECT:

Supplemental Request for
Lebanon

The President reviewed your memorandum of April 24 on the above subject and approved the following:

"State request for a special \$20 million
disaster relief supplemental for Lebanon
in 1976"

Please follow-up with appropriate action.

cc: Dick Cheney

616
THE WHITE HOUSE
WASHINGTON

May 6, 1976

MR PRESIDENT:

Supplemental Request for Lebanon

Staffing of the attached memorandum resulted in the following:

Option 1 - Approve the State request for a special \$20 million disaster relief supplemental for Lebanon in 1976

Recommended by Messrs. Friedersdorf and Scowcroft. Additional comments provided by NSC see TAB B.

Option 2 - Approve the State request for \$12.5 million to meet the Waldheim appeal but use funds to be made available under the pending appropriation.

Recommended by OMB and Jack Marsh.

Jim Connor



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

APR 24 1976

DECISION

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES T. LYNN
SUBJECT: Supplemental Request for Lebanon

The State Department has requested special authorizing legislation and a \$20 million 1976 supplemental for Lebanon disaster relief (See Tab A). The assistance is intended primarily to "constitute a vote of confidence" in the new Lebanese President who State hopes will be elected within a week. The State package includes:

- \$12.5 million to respond to UN Secretary General Waldheim's appeal for worldwide donations of \$50 million in calendar year 1976 for Lebanon relief;
- \$.5 million to replenish the Disaster Relief account for funds already obligated for the International Committee of the Red Cross;
- \$7 million in other relief assistance of which \$1.1 million has been obligated and the remainder is still unspecified.

OMB concurs with State that the U.S. must respond quickly to Waldheim's appeal. Accordingly, I support State's request for \$12.5 million for this purpose. The \$.5 million for the International Red Cross would merely replenish the Disaster Relief account and is unnecessary at this time. The remaining \$7 million for housing, technical assistance, and support for other bilateral relief programs would generally be useful only after an effective cease-fire has been established.

OMB believes that the bilateral aid request is premature and that the \$12.5 million in disaster relief requested by State for the Waldheim appeal can be met out of funds to be appropriated for fiscal year 1976 and the transition quarter. We estimate that \$11.6 million in uncommitted funds will be available in fiscal year 1976 from Disaster Relief and the Contingency Fund if the Foreign Aid appropriation bill is signed. An additional \$6.2 million will be available in the transition quarter for a total availability of \$17.8 million between now and October 1. Using \$12.5 million of these funds to meet the Waldheim appeal would leave \$5.3 million to meet other emergencies, which OMB believes will be tight but probably adequate. Furthermore, disbursement of the Waldheim appeal funds could be stretched into fiscal year 1977 in the case that the \$5.3 million is inadequate to meet unexpected emergencies. The \$12.5 million, though not yet available, could be pledged to Lebanon along with a moderate PL 480 food aid program in a Presidential announcement, which would constitute the "vote of confidence" that State believes is necessary.

I believe existing funds should be used in lieu of a supplemental since:

- Congress has clearly indicated in both House and Senate reports authorizing Guatemala disaster relief that it intended the special Guatemala relief to free up funds which could be used for Lebanon disaster relief. A special supplemental for Lebanon transmitted while uncommitted funds are or soon will become available would be inconsistent with this congressional intent.
- The Appropriations Committees are reluctant to act upon 1976 and TQ supplementals at this late date and we have deferred other foreign aid requests until FY 1977 on this basis.

Decision:

Approve the State request for a special \$20 million disaster relief supplemental for Lebanon in 1976.

RR7

Approve the State request for \$12.5 million to meet the Waldheim appeal but use funds to be made available under the pending appropriation.

~~CONFIDENTIAL~~
DEPARTMENT OF STATE

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

THE ADMINISTRATOR

APR 6 1976

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Lynn:

I am hereby transmitting for your consideration an amendment to the President's budget request for fiscal year 1976 for relief and rehabilitation for Lebanon. This amendment will involve a net increase of \$20.0 million for foreign assistance under funds appropriated to the President.

The budgetary impact of the proposed amendment is as follows:

(\$ Millions)

	<u>Budget Authority</u>			<u>Outlay Impact of Current Proposal</u>
	<u>Original Budget</u>	<u>Currently Proposed</u>	<u>Revised Total</u>	
Lebanon Relief and Rehabilitation	-	+ 20.0	20.0	15.5

The rationale for the proposed funding, which has been approved by the Secretary of State, is contained in the attached background/analysis paper.

We envision use of the proposed \$20 million for such purposes as the following, subject to adjustments between categories as it becomes possible to assess specific needs and priorities in greater detail:

Participation in Waldheim's appeal (25% of total)	\$12.5 million
International Committee of the Red Cross (ICRC)	.5 million
Housing, technical assistance and support to relief and rehabilitation programs of public and private institutions	<u>7.0 million</u> \$20.0 million

~~CONFIDENTIAL~~ *KE 5/2/88*
(Unclassified upon removal of attachment)

554-8

We would ensure in providing this assistance that it is used to the greatest extent possible, consistent with our Congressional Mandate, to benefit low-income persons most affected by the disruptions in Lebanon.

A proposed Special Bill for Lebanon is attached for your consideration and transmittal to Congress. This Bill will enable us to provide funds to meet the purposes described above. In addition, it authorizes the issuance of Housing Guaranties for Lebanon, but no increase in the existing guaranty authority is requested.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Daniel Parker", with a long, sweeping horizontal stroke at the end.

Daniel Parker

Attachments:

1. Funding Chart
2. Background/Analysis: Lebanon
3. Proposed Lebanon Relief Act of 1976
4. Section-by-Section Analysis of the
Proposed Lebanon Relief Act of 1976

FUNDS APPROPRIATED TO THE PRESIDENT

Foreign Assistance
US\$

Budget Appendix Page	Heading	FY 1976 Request Pending	FY 1976 Proposed Amendment	FY 1976 Revised Request
-	Lebanon Relief and Rehabilitation	-	+20,000,000	20,000,000

CONFIDENTIAL

BACKGROUND/ANALYSIS: LEBANON

Political

The immediate political situation in Lebanon is delicate. Despite Syrian involvement, renewed fighting has broken out following a relatively short period of ceasefire during which it appeared that the country might be returning to stability. The present situation, while contained to Lebanon for the moment, has increased the risks of a wider conflict in the Middle East. In view of this it is appropriate for us to consider what we can do to strengthen the positive elements of the situation in Lebanon.

A substantial US contribution to Lebanese relief and rehabilitation would give concrete expression to our policies in support of pacification and reconciliation in the country and would help produce an atmosphere more conducive to bringing at least a promise of peace.

American aid at this point would help to alleviate some of the widespread suffering and also would constitute a vote of confidence which would be particularly helpful toward restoring private confidence in Lebanon. Both are essential to recovery in Lebanon's private-enterprise economy. Appropriately publicized, US aid would have an indirect effect possibly far greater than the amount of direct assistance involved.

Economic

The precise relief, rehabilitation, and recovery needs of Lebanon are not yet known, although we know that damage has been extensive--perhaps a billion dollars worth of material losses--and large numbers of people have been made destitute. The new outbreak of fighting has effectively brought to a halt Lebanese Government and other efforts to assess the damages. The UNHCR recently conducted an assessment, focusing on immediate shelter and other needs, but once fighting is brought under control again, a reassessment no doubt will be required. However, based on the UNHCR study, Secretary General Waldheim has issued an appeal for \$50 million for emergency relief aid for the remainder of calendar year 1976.* Lebanon has also asked the US for a substantial quantity of wheat, plus rice and vegetable oil, under PL 480 Title I.

Long-term needs are difficult to estimate while the fighting continues to rage and in the absence of some outside assessment. Many houses have been destroyed, and although latest reports are that Lebanon's basic infrastructure (roads, electricity, water supply, telephone system) remains largely undamaged, the situation could change rapidly.

* Breakdown: UNHCR - \$25.5 million; UNICEF - \$14 million; WHO - \$5 million; UNRWA - \$500,000; transportation, etc. - \$5 million

CONFIDENTIAL

GDS KBH 12/31/97

Lebanon's foreign exchange reserves were \$1.5 billion in September 1975, the most recent data available. Lebanon has hopes of obtaining aid from oil-rich Arab states, but it is too early to tell whether these hopes will be realized.

Provision of some aid is already in process. The World Food Program has approved a \$10.2 million emergency feeding program for Lebanon. The ICRC has an active program in Lebanon for which it has already received contributions of \$1 million. Projected total ICRC expenses are \$4 million, of which it has requested \$500,000 from the U.S. Our assistance thus far consists of about \$900,000 worth of medical supplies under disaster relief authority. Lebanon has also received modest assistance from other governments.

A BILL

To provide emergency relief, rehabilitation and humanitarian assistance to the people of Lebanon, to amend the Foreign Assistance Act of 1961, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Lebanon Relief Act of 1976."

Section 2. The Foreign Assistance Act of 1961, as amended, is further amended by adding at the end of Chapter 9 of Part I, relating to international disaster assistance, a new section as follows:

"SEC. 495B. LEBANON RELIEF AND REHABILITATION. -

(a) The Congress, recognizing that prompt United States assistance is necessary to alleviate the human suffering arising from civil strife in Lebanon and to restore the confidence of the people of Lebanon, hereby authorizes the President to furnish assistance, on such terms and conditions as he may determine including the issuance of housing guaranties in accordance with the authority and within the limitation of Section 221 of this Act, for the relief and rehabilitation of refugees and other needy people in Lebanon.

"(b) There is authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise available for such purposes, \$20,000,000 for the fiscal year 1976 which amount is authorized to remain available until expended.

"(c) The assistance under this section shall be provided in accordance with the policies and general authority contained in section 491.

"(d) Obligations incurred prior to the date of enactment of this section against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Lebanon may be charged to the appropriations authorized under this section.

"(e) Not later than 60 days after the date of enactment of appropriations to carry out this section, and on a quarterly basis thereafter, the President shall transmit reports to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives regarding the programming and obligation of funds under this section."

Section-by-Section Analysis of the
Proposed Lebanon Relief Act of 1976

The major purpose of the proposed Lebanon Relief Act of 1976 is to provide authorization for appropriations for disaster relief and rehabilitation activities necessitated by the civil strife in Lebanon. The bill would amend the Foreign Assistance Act of 1961 (the Act) for that purpose and would also authorize the issuance of housing guaranties in conjunction with rehabilitation efforts.

Section 2 would add a new Section 495B to Chapter 9 of Part I of the Act, relating to international disaster assistance. The provisions of that section would provide as follows:

Subsection (a) contains a finding by the Congress that United States assistance is necessary to alleviate human suffering arising from the civil strife in Lebanon and to restore the confidence of its people and to that end authorizes the President to furnish assistance for the relief and rehabilitation of refugees and other needy people in that country. The section explicitly authorizes the issuance of housing guaranties in conjunction with rehabilitation efforts. Such guaranties would be issued in accordance with the authority of and subject to the limitation contained in Section 221 of the Act. These include a worldwide ceiling on the face amount of guaranties outstanding at any one time and requirements as to eligible investors. It is not contemplated, however, that the

guaranties would be subject to the requirement contained in subsection 223(j) which limits the issuance of guaranties to countries in which A.I.D. is conducting development assistance programs and which requires that the housing projects guaranteed be coordinated with development assistance programs. On the other hand, the issuance of guaranties would be subject to the policy provisions of section 491 which require that to the greatest extent possible U.S. aid reach those most in need of relief and rehabilitation as a result of natural or man-made disasters.

Subsection (b) authorizes the appropriation of \$20 million for the Fiscal Year 1976 to carry out the purposes of the section. Amounts made available would be authorized to remain available until expended.


Subsection (c) provides that assistance under the section must be provided in accordance with the policies and the general authority contained in section 491. As noted above, that section requires that to the greatest extent possible assistance reach those most in need. The authority also permits the furnishing of assistance without regard to other requirements of law, such as procurement procedures and U.S. shipping requirements, which might impair the relief and rehabilitation efforts.

Subsection (d) provides that obligations previously incurred for the purposes of providing relief and rehabilitation assistance to the people of Lebanon as a result of the recent civil strife are authorized to be transferred to the appropriation account established by the section.

Subsection (e) requires that the President report to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives regarding the programming and obligation of funds authorized by the section. The first report would fall due 60 days after enactment of appropriations to carry out the section and subsequent reports would be required on a quarterly basis thereafter until the program has been completed.

CONFIDENTIAL (GDS)

May 6, 1976

MEMORANDUM FOR: THE PRESIDENT
FROM: BRENT SCOWCROFT 
SUBJECT: Supplemental Request for Lebanon

In a memorandum to you of April 24, Mr. Lynn has commented on a State Department request for special authorizing legislation and a \$20 million 1976 supplemental appropriation for Lebanon disaster relief. These funds would be allocated as follows:

-- \$12.5 million to respond to Secretary General Waldheim's worldwide appeal for \$50 million for Lebanon relief.

-- \$.5 million to replenish the Disaster Relief Fund for amounts already provided the International Red Cross to assist its relief efforts in Lebanon.

-- \$7 million to respond to anticipated reconstruction needs.

Rather than seek such a disaster supplemental for Lebanon, Mr. Lynn has proposed that you approve the use of \$12.5 million to respond to Secretary General Waldheim's appeal from funds appropriated for fiscal 76 and the transition quarter. Mr. Lynn maintains that the remaining \$7.5 million is unnecessary at this time, because he believes the \$7 million proposed for housing and bilateral relief programs could not be useful until an effective ceasefire has been established in Lebanon.

It is my judgment that you should support the State Department request, on the following grounds:

-- The FY '76 Foreign Aid Appropriation, which contains the disaster relief funds, has not been enacted. As you know, it is being held until action is taken on the authorization bill. Thus, our ability to commit \$12.5 million from it, as Mr. Lynn suggests, is problematical. Moreover, a pledge of funds from a bill of such uncertain future -- possibly even a veto -- could be viewed as cynical. While it is true that a separate supplemental would likewise face a delay in the legislative process, as a separate measure, it would stand on its own and not have its fate tied to,

CONFIDENTIAL (GDS)

KR 5/12/88

Subject to GDS of E.O. 11652
Automatically Declassified on
December 31, 1982

and blurred by the unrelated problems of the FY '76 appropriation. (Until action is completed on the FY '76 appropriation we will be operating on a continuing resolution which authorizes disaster relief expenditures at last year's level. All but approximately \$2 million of this amount has been expended for other disasters. The remaining \$2 million should probably be held for disasters which could come up in the remaining two months of the year.)

-- After our efforts in helping Lebanon achieve a ceasefire and move toward a new government, most Lebanese factions have a modicum of confidence in the United States. If a new President is elected on May 8, as now appears likely, it will be of particular importance to show immediately that we are prepared to contribute materially to Lebanon's future -- not only by responding fully to the United Nations appeal for relief funds but by moving well beyond that into the area of ongoing reconstruction and rehabilitation. It is true that it may take time for the new government to define the reconstruction needs with precision. It is clear, however, that the scale of devastation is such as to require enormous outside assistance and we should be prepared with a prompt earnest of our intentions. This gesture would have a very beneficial impact on our future political influence as well as on prospects for reviving Lebanon's economy. A vote of confidence by the US would encourage others to follow.

-- Lebanon will need assistance from the US in significant amounts in FY 77 and possibly beyond. We should establish this precedent now, while the crisis continues and the urgency is clear to the Congress.

I believe there is sufficient justification to seek urgent assistance for Lebanon. It will be important to act as soon as possible after the election of the new President in order to maximize his chances of success and demonstrate tangibly our support for the new government.

For the above reasons, I support the full State request for \$20 million by seeking a special disaster relief supplemental to Lebanon in this fiscal year. I recommend that you approve its submission to Congress as soon as possible.

THE WHITE HOUSE
WASHINGTON

May 6, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JAMES T. LYNN
FROM: JAMES E. CONNOR *JEC*
SUBJECT: Supplemental Request for
Lebanon

The President reviewed your memorandum of April 24 on the above subject and approved the following:

"State request for a special \$20 million disaster relief supplemental for Lebanon in 1976"

Please follow-up with appropriate action.

cc: Dick Cheney

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: April 26, 1976

Time:

FOR ACTION:

cc (for information):

- ✓ Max Friedersdorf
- ✓ Jack Marsh
- Brent Scowcroft

FROM THE STAFF SECRETARY

DUE: Date: Quick Turnaround

Time:

SUBJECT:

Lynn memo 4/24/76 re Supplemental Request for Lebanon

ACTION REQUESTED:

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Because the President is leaving at Noon tomorrow we would appreciate receiving your comments as early as possible tomorrow morning. Thank you.

Friedersdorf - approves \$20 million
Marsh - Option #1, \$12.5 million
Scowcroft - approves \$20 million plus comments

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Jim Connor
For the President

STAFFING

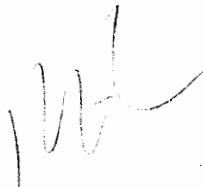
THE WHITE HOUSE
WASHINGTON

4/26/76

TO: BOB LINDER

FROM: TRUDY FRY

The attached is sent to you for
review before it is forwarded to the
President.

A handwritten signature in dark ink, appearing to be 'JLF', is located in the bottom right corner of the page.

May 6, 1976

MR PRESIDENT:

Supplemental Request for Lebanon

Staffing of the attached memorandum resulted in the following:

Option 1 - Approve the State request for a special \$20 million disaster relief supplemental for Lebanon in 1976

Recommended by Messrs. Friedersdorf and Scowcroft. Additional comments provided by NSC see TAB B.

Option 2 - Approve the State request for \$12.5 million to meet the Waldheim appeal but use funds to be made available under the pending appropriation.

Recommended by OMB and Jack Marsh.

Jim Connor



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

APR 24 1976

DECISION

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES E. LYNN
SUBJECT: Supplemental Request for Lebanon

The State Department has requested special authorizing legislation and a \$20 million 1976 supplemental for Lebanon disaster relief (See Tab A). The assistance is intended primarily to "constitute a vote of confidence" in the new Lebanese President who State hopes will be elected within a week. The State package includes:

- \$12.5 million to respond to UN Secretary General Waldheim's appeal for worldwide donations of \$50 million in calendar year 1976 for Lebanon relief;
- \$.5 million to replenish the Disaster Relief account for funds already obligated for the International Committee of the Red Cross;
- \$7 million in other relief assistance of which \$1.1 million has been obligated and the remainder is still unspecified.

OMB concurs with State that the U.S. must respond quickly to Waldheim's appeal. Accordingly, I support State's request for \$12.5 million for this purpose. The \$.5 million for the International Red Cross would merely replenish the Disaster Relief account and is unnecessary at this time. The remaining \$7 million for housing, technical assistance, and support for other bilateral relief programs would generally be useful only after an effective cease-fire has been established.

OMB believes that the bilateral aid request is premature and that the \$12.5 million in disaster relief requested by State for the Waldheim appeal can be met out of funds to be appropriated for fiscal year 1976 and the transition quarter. We estimate that \$11.6 million in uncommitted funds will be available in fiscal year 1976 from Disaster Relief and the Contingency Fund if the Foreign Aid appropriation bill is signed. An additional \$6.2 million will be available in the transition quarter for a total availability of \$17.8 million between now and October 1. Using \$12.5 million of these funds to meet the Waldheim appeal would leave \$5.3 million to meet other emergencies, which OMB believes will be tight but probably adequate. Furthermore, disbursement of the Waldheim appeal funds could be stretched into fiscal year 1977 in the case that the \$5.3 million is inadequate to meet unexpected emergencies. The \$12.5 million, though not yet available, could be pledged to Lebanon along with a moderate PL 480 food aid program in a Presidential announcement, which would constitute the "vote of confidence" that State believes is necessary.

I believe existing funds should be used in lieu of a supplemental since:

- Congress has clearly indicated in both House and Senate reports authorizing Guatemala disaster relief that it intended the special Guatemala relief to free up funds which could be used for Lebanon disaster relief. A special supplemental for Lebanon transmitted while uncommitted funds are or soon will become available would be inconsistent with this congressional intent.
- The Appropriations Committees are reluctant to act upon 1976 and TQ supplementals at this late date and we have deferred other foreign aid requests until FY 1977 on this basis.

Decision:

Approve the State request for a special \$20 million disaster relief supplemental for Lebanon in 1976.

Approve the State request for \$12.5 million to meet the Waldheim appeal but use funds to be made available under the pending appropriation.

~~CONFIDENTIAL~~
DEPARTMENT OF STATE

AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

THE ADMINISTRATOR

APR 6 1976

The Honorable James T. Lynn
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Lynn:

I am hereby transmitting for your consideration an amendment to the President's budget request for fiscal year 1976 for relief and rehabilitation for Lebanon. This amendment will involve a net increase of \$20.0 million for foreign assistance under funds appropriated to the President.

The budgetary impact of the proposed amendment is as follows:

(\$ Millions)

	<u>Budget Authority</u>			<u>Outlay Impact of Current Proposal</u>
	<u>Original Budget</u>	<u>Currently Proposed</u>	<u>Revised Total</u>	
Lebanon Relief and Rehabilitation	-	+ 20.0	20.0	15.5

The rationale for the proposed funding, which has been approved by the Secretary of State, is contained in the attached background/analysis paper.

We envision use of the proposed \$20 million for such purposes as the following, subject to adjustments between categories as it becomes possible to assess specific needs and priorities in greater detail:

Participation in Waldheim's appeal (25% of total)	\$12.5 million
International Committee of the Red Cross (ICRC)	.5 million
Housing, technical assistance and support to relief and rehabilitation programs of public and private institutions	<u>7.0 million</u> \$20.0 million

~~CONFIDENTIAL~~
(Unclassified upon removal of attachment)

534-8

We would ensure in providing this assistance that it is used to the greatest extent possible, consistent with our Congressional Mandate, to benefit low-income persons most affected by the disruptions in Lebanon.

A proposed Special Bill for Lebanon is attached for your consideration and transmittal to Congress. This Bill will enable us to provide funds to meet the purposes described above. In addition, it authorizes the issuance of Housing Guaranties for Lebanon, but no increase in the existing guaranty authority is requested.

Sincerely yours,



Daniel Parker

Attachments:

1. Funding Chart
2. Background/Analysis: Lebanon
3. Proposed Lebanon Relief Act of 1976
4. Section-by-Section Analysis of the Proposed Lebanon Relief Act of 1976

FUNDS APPROPRIATED TO THE PRESIDENT

Foreign Assistance

US\$

Budget Appendix Page	Heading	FY 1976 Request Pending	FY 1976 Proposed Amendment	FY 1976 Revised Request
-	Lebanon Relief and Rehabilitation	-	+20,000,000	20,000,000

CONFIDENTIAL

BACKGROUND/ANALYSIS: LEBANON

Political

The immediate political situation in Lebanon is delicate. Despite Syrian involvement, renewed fighting has broken out following a relatively short period of ceasefire during which it appeared that the country might be returning to stability. The present situation, while contained to Lebanon for the moment, has increased the risks of a wider conflict in the Middle East. In view of this it is appropriate for us to consider what we can do to strengthen the positive elements of the situation in Lebanon.

A substantial US contribution to Lebanese relief and rehabilitation would give concrete expression to our policies in support of pacification and reconciliation in the country and would help produce an atmosphere more conducive to bringing at least a promise of peace.

American aid at this point would help to alleviate some of the widespread suffering and also would constitute a vote of confidence which would be particularly helpful toward restoring private confidence in Lebanon. Both are essential to recovery in Lebanon's private-enterprise economy. Appropriately publicized, US aid would have an indirect effect possibly far greater than the amount of direct assistance involved.

Economic

The precise relief, rehabilitation, and recovery needs of Lebanon are not yet known, although we know that damage has been extensive--perhaps a billion dollars worth of material losses--and large numbers of people have been made destitute. The new outbreak of fighting has effectively brought to a halt Lebanese Government and other efforts to assess the damages. The UNHCR recently conducted an assessment, focusing on immediate shelter and other needs, but once fighting is brought under control again, a reassessment no doubt will be required. However, based on the UNHCR study, Secretary General Waldheim has issued an appeal for \$50 million for emergency relief aid for the remainder of calendar year 1976.* Lebanon has also asked the US for a substantial quantity of wheat, plus rice and vegetable oil, under PL 480 Title I.

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* Breakdown: UNHCR - \$25.5 million; UNICEF - \$14 million; WHO - \$5 million; UNRWA - \$500,000; transportation, etc. - \$5 million

CONFIDENTIAL

GDS KBH 12/31/77

Lebanon's foreign exchange reserves were \$1.5 billion in September 1975, the most recent data available. Lebanon has hopes of obtaining aid from oil-rich Arab states, but it is too early to tell whether these hopes will be realized.

Provision of some aid is already in process. The World Food Program has approved a \$10.2 million emergency feeding program for Lebanon. The ICRC has an active program in Lebanon for which it has already received contributions of \$1 million. Projected total ICRC expenses are \$4 million, of which it has requested \$500,000 from the U.S. Our assistance thus far consists of about \$900,000 worth of medical supplies under disaster relief authority. Lebanon has also received modest assistance from other governments.

A BILL

To provide emergency relief, rehabilitation and humanitarian assistance to the people of Lebanon, to amend the Foreign Assistance Act of 1961, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Lebanon Relief Act of 1976."

Section 2. The Foreign Assistance Act of 1961, as amended, is further amended by adding at the end of Chapter 9 of Part I, relating to international disaster assistance, a new section as follows:

"SEC. 495B. LEBANON RELIEF AND REHABILITATION. -

(a) The Congress, recognizing that prompt United States assistance is necessary to alleviate the human suffering arising from civil strife in Lebanon and to restore the confidence of the people of Lebanon, hereby authorizes the President to furnish assistance, on such terms and conditions as he may determine including the issuance of housing guaranties in accordance with the authority and within the limitation of Section 221 of this Act, for the relief and rehabilitation of refugees and other needy people in Lebanon.

"(b) There is authorized to be appropriated to the President for the purposes of this section, in addition to amounts otherwise available for such purposes, \$20,000,000 for the fiscal year 1976 which amount is authorized to remain available until expended.

"(c) The assistance under this section shall be provided in accordance with the policies and general authority contained in section 491.

"(d) Obligations incurred prior to the date of enactment of this section against other appropriations or accounts for the purpose of providing relief and rehabilitation assistance to the people of Lebanon may be charged to the appropriations authorized under this section.

"(e) Not later than 60 days after the date of enactment of appropriations to carry out this section, and on a quarterly basis thereafter, the President shall transmit reports to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives regarding the programming and obligation of funds under this section."

Section-by-Section Analysis of the
Proposed Lebanon Relief Act of 1976

The major purpose of the proposed Lebanon Relief Act of 1976 is to provide authorization for appropriations for disaster relief and rehabilitation activities necessitated by the civil strife in Lebanon. The bill would amend the Foreign Assistance Act of 1961 (the Act) for that purpose and would also authorize the issuance of housing guaranties in conjunction with rehabilitation efforts.

Section 2 would add a new Section 495B to Chapter 9 of Part I of the Act, relating to international disaster assistance. The provisions of that section would provide as follows:

Subsection (a) contains a finding by the Congress that United States assistance is necessary to alleviate human suffering arising from the civil strife in Lebanon and to restore the confidence of its people and to that end authorizes the President to furnish assistance for the relief and rehabilitation of refugees and other needy people in that country. The section explicitly authorizes the issuance of housing guaranties in conjunction with rehabilitation efforts. Such guaranties would be issued in accordance with the authority of and subject to the limitation contained in Section 221 of the Act. These include a worldwide ceiling on the face amount of guaranties outstanding at any one time and requirements as to eligible investors. It is not contemplated, however, that the

guaranties would be subject to the requirement contained in subsection 223(j) which limits the issuance of guaranties to countries in which A.I.D. is conducting development assistance programs and which requires that the housing projects guaranteed be coordinated with development assistance programs. On the other hand, the issuance of guaranties would be subject to the policy provisions of section 491 which require that to the greatest extent possible U.S. aid reach those most in need of relief and rehabilitation as a result of natural or man-made disasters.

Subsection (b) authorizes the appropriation of \$20 million for the Fiscal Year 1976 to carry out the purposes of the section. Amounts made available would be authorized to remain available until expended.


Subsection (c) provides that assistance under the section must be provided in accordance with the policies and the general authority contained in section 491. As noted above, that section requires that to the greatest extent possible assistance reach those most in need. The authority also permits the furnishing of assistance without regard to other requirements of law, such as procurement procedures and U.S. shipping requirements, which might impair the relief and rehabilitation efforts.

Subsection (d) provides that obligations previously incurred for the purposes of providing relief and rehabilitation assistance to the people of Lebanon as a result of the recent civil strife are authorized to be transferred to the appropriation account established by the section.

Subsection (e) requires that the President report to the Committee on Foreign Relations of the Senate and to the Speaker of the House of Representatives regarding the programming and obligation of funds authorized by the section. The first report would fall due 60 days after enactment of appropriations to carry out the section and subsequent reports would be required on a quarterly basis thereafter until the program has been completed.

CONFIDENTIAL (GDS)

May 6, 1976

MEMORANDUM FOR: THE PRESIDENT
FROM: BRENT SCOWCROFT 
SUBJECT: Supplemental Request for Lebanon

In a memorandum to you of April 24, Mr. Lynn has commented on a State Department request for special authorizing legislation and a \$20 million 1976 supplemental appropriation for Lebanon disaster relief. These funds would be allocated as follows:

-- \$12.5 million to respond to Secretary General Waldheim's worldwide appeal for \$50 million for Lebanon relief.

-- \$.5 million to replenish the Disaster Relief Fund for amounts already provided the International Red Cross to assist its relief efforts in Lebanon.

-- \$7 million to respond to anticipated reconstruction needs.

Rather than seek such a disaster supplemental for Lebanon, Mr. Lynn has proposed that you approve the use of \$12.5 million to respond to Secretary General Waldheim's appeal from funds appropriated for fiscal 76 and the transition quarter. Mr. Lynn maintains that the remaining \$7.5 million is unnecessary at this time, because he believes the \$7 million proposed for housing and bilateral relief programs could not be useful until an effective ceasefire has been established in Lebanon.

It is my judgment that you should support the State Department request, on the following grounds:

-- The FY '76 Foreign Aid Appropriation, which contains the disaster relief funds, has not been enacted. As you know, it is being held until action is taken on the authorization bill. Thus, our ability to commit \$12.5 million from it, as Mr. Lynn suggests, is problematical. Moreover, a pledge of funds from a bill of such uncertain future -- possibly even a veto -- could be viewed as cynical. While it is true that a separate supplemental would likewise face a delay in the legislative process, as a separate measure, it would stand on its own and not have its fate tied to,

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Subject to GDS of E. O. 11652
Automatically Declassified on
December 31, 1982

and blurred by the unrelated problems of the FY '76 appropriation. (Until action is completed on the FY '76 appropriation we will be operating on a continuing resolution which authorizes disaster relief expenditures at last year's level. All but approximately \$2 million of this amount has been expended for other disasters. The remaining \$2 million should probably be held for disasters which could come up in the remaining two months of the year.)

-- After our efforts in helping Lebanon achieve a ceasefire and move toward a new government, most Lebanese factions have a modicum of confidence in the United States. If a new President is elected on May 8, as now appears likely, it will be of particular importance to show immediately that we are prepared to contribute materially to Lebanon's future -- not only by responding fully to the United Nations appeal for relief funds but by moving well beyond that into the area of ongoing reconstruction and rehabilitation. It is true that it may take time for the new government to define the reconstruction needs with precision. It is clear, however, that the scale of devastation is such as to require enormous outside assistance and we should be prepared with a prompt earnest of our intentions. This gesture would have a very beneficial impact on our future political influence as well as on prospects for reviving Lebanon's economy. A vote of confidence by the US would encourage others to follow.

-- Lebanon will need assistance from the US in significant amounts in FY 77 and possibly beyond. We should establish this precedent now, while the crisis continues and the urgency is clear to the Congress.

I believe there is sufficient justification to seek urgent assistance for Lebanon. It will be important to act as soon as possible after the election of the new President in order to maximize his chances of success and demonstrate tangibly our support for the new government.

For the above reasons, I support the full State request for \$20 million by seeking a special disaster relief supplemental to Lebanon in this fiscal year. I recommend that you approve its submission to Congress as soon as possible.

THE WHITE HOUSE

WASHINGTON

April 26, 1976

MEMORANDUM FOR: JIM CONNOR
FROM: MAX FRIEDERSDORF *M. O.*
SUBJECT: Lynn memo 4/24/76 re Supplemental
Request for Lebanon

The Office of Legislative Affairs recommends that subject supplemental request be transmitted.