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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
	1. Republican Congressional Leaders, 9/9/75		
1a. Talking Points	Military Assistance to Turkey (4 pp.)	Undated	A
1b. "	Middle East (2 pp.) <i>Declassified 5/31/89 KBH</i>	Undated	A

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THE WHITE HOUSE

WASHINGTON

September 8, 1975

MEETING WITH REPUBLICAN CONGRESSIONAL LEADERS

Tuesday, September 9, 1975

8:00-9:30 a.m. (90 minutes)

The Cabinet Room

From: Max L. Friedersdorf *M.L.F.*

I. PURPOSE

To discuss with Republican Leaders the veto of the Education Appropriations Bill, status of the energy issue, Turkish Aide and the Middle East settlement.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

1. The House will vote today on an attempt to override the President's veto on the Education Appropriations Bill which is \$1.2 billion over the budget. Prospects for sustaining the veto are discouraging.
2. The Senate has scheduled a vote for 3:00 p.m. tomorrow, Wednesday, September 10, on an attempt to override the President's veto of the six month extension of the Emergency Petroleum Allocation Act.
3. The House failed by a vote of 206-223 on July 24, 1975, to lift the ban on military aid to Turkey. Attempts to schedule another vote before the August recess failed and the issue is still pending before the House Rules Committee. "Doc" Morgan has indicated he prefers not to push the issue in Rules Committee until talks concerning Cyprus scheduled in New York this week are concluded.
4. Egypt and Israel have signed a Middle East settlement negotiated by Secretary Kissinger. Stationing of American technicians as monitors is receiving scrutiny by Congress and the House and Senate will consider concurrent resolutions of approval. The Administration is hopeful that the concurrent resolution can be approved in the next ten days.

B. Participants: See Tab A

C. Press Plan:

Announce to the Press as a regular Republican Leadership meeting. Press and White House photographers.

III. AGENDA See Tab B

IV. TALKING POINTS See Tab C

1. We have a number of important issues to consider today.
2. The most immediate concern is the veto consideration in the House today of the Education Appropriations Bill which is \$1.2 billion over the budget.
3. Perhaps John Rhodes and Bob Michel can give us a report on the veto vote in the House today?

AGENDA

- 8:00-8:15 a.m.
(15 minutes) The President opens the meeting and announces the agenda for discussion (Education Appropriations Bill veto, energy, Turkish Aid, and the Middle East settlement.)
- 8:15-8:30 a.m.
(15 minutes) The President calls upon Rhodes and Michel for a report on the House vote on the Presidential veto of the Education Appropriations Bill.
- 8:30-8:45 a.m.
(15 minutes) The President reviews the energy situation and calls upon Frank Zarb for comments.
- 8:45-9:00 a.m.
(15 minutes) The President introduces the subject of the ban on military aid to Turkey and calls upon Secretary Kissinger for comments.
- 9:00-9:15 a.m.
(15 minutes) The President refers to the Middle East settlement and calls upon Secretary Kissinger for comments.
- 9:15-9:30 a.m.
(15 minutes) The President invites leaders to raise any other subjects of interest.
- 9:30 a.m. The President concludes the meeting.

PARTICIPANTS

The President
The Vice President

SENATE

Hugh Scott
Bob Griffin
Carl Curtis
Bob Stafford
John Tower
Ted Stevens
Strom Thurmond
Jake Javits
Paul Fannin
Cliff Case

HOUSE

John Rhodes
Bob Michel
John Anderson
Sam Devine
Jack Edwards
Barber Conable
Lou Frey
Jimmy Quillen
Guy Vander Jagt
Al Cederberg
Al Quie
Herm Schneebeli
Bill Broomfield
Bob Wilson

STAFF

Secretary Kissinger
Secretary Schlesinger
Secretary Morton
Don Rumsfeld
Bob Hartmann
Jack Marsh
Max Friedersdorf
Phil Buchen
Jim Lynn
Alan Greenspan
Bill Seidman
Jim Cannon
Ron Nessen
Frank Zarb
Brent Scowcroft
Dick Cheney
Doug Bennett
Vern Loen

Bill Kendall
Pat O'Donnell
Charles Leppert
Tom Loeffler
Bob Wolthuis

REGRETS

Senator Young
Bill Baroody

OIL DECONTROL

1. As most of you know, the Federal allocation and price control authorities on petroleum expired on August 31, 1975.
2. Over the last several months, I have tried repeatedly to compromise with Congress on this issue.
3. Just before the August recess, I submitted a 39-month phased decontrol plan which included a \$11.50 cap on new oil. It went more than half-way in meeting the concerns voiced by Members of Congress. By increasing the quantity of oil decontrolled from 1 1/2% the first year to 2 1/2%, then 3 1/2% in the last 15 months and gradually increasing the cap by \$.05 per month, it would have rolled back prices during the first year and assured that future OPEC price increases would not be mirrored in higher domestic oil prices. Unfortunately, it was rejected by the House of Representatives.
4. At Mike Mansfield's and Carl Albert's request, I indicated that I would be willing to sign a 30-40 day extension of the EPAA if I could be reasonably assured that Congress would accept my 39-month decontrol plan. I believe such an approach is best, and a compromise would be in the nation's best interest.
5. While I would like to compromise, I have heard statements from some Members of Congress who appear to be putting politics ahead of the development of a national energy policy. While I hope they don't prevail, it now appears that compromise is not possible until after my veto of any extension of price controls is sustained. However, to ease the impacts of immediate decontrol, I will take several steps.
6. First, I will remove the supplemental fees on petroleum imports and again support a windfall profits tax and rebates to consumers of the tax revenues. This will keep the price increases from decontrol to very modest levels.
7. As part of the natural gas emergency legislation, I will propose shortly, I will ask for authority to allocate and control the price of propane, such as farmers and rural homes get needed supplies at reasonable prices.
8. Finally, I will submit legislative proposals to help independent refiners and marketers adjust to decontrol. For independent refiners, new legislation will provide a continuation of the subsidies they now receive under the allocation act. These subsidies will phase out gradually to ease the transition back to a free market. For independent marketers of gasoline, I will propose legislation to provide for legal remedies if coercive action is taken by major oil companies.

PROPANE

Propane is a petroleum product which is used in agriculture for crop drying, rural home heating and in industrial and electrical utilities. Under the Emergency Petroleum Allocation Act (EPPA), the FEA allocated propane and controlled its price. Using these authorities, historical users such as farmers were assured needed supplies. Because of the natural gas shortage, large industrial and utility users who are curtailed may attempt to substitute propane. Such purchases could divert large quantities of propane from historical users or cause large price increases.

Because the President intends to veto the six month extension of the EPAA, new authorities are needed to protect historical propane users. The President will request legislation as part of comprehensive emergency legislation to deal with the natural gas shortage, which will:

- Provide allocation and pricing authorities for all propane use.
- Assure historical users of adequate supplies at reasonable prices.
- Regulate the use of propane by new industrial users who are experiencing natural gas curtailments.

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MR 88-1, #1 NSC Dir 4/12/89
By KBH Date 5/18/89

TALKING POINTS -- MIDDLE EAST

1. Before going into the details of Henry's recent visit to the Middle East, let me make the following comments about the present disengagement agreement between Egypt and Israel. First, long before I sent Henry to the area, it was clear that we had to continue movement toward a settlement, either by a partial step or by an overall approach. As you know, we have been attempting for many months to establish a successful negotiation between both countries. The divergence of their positions following the March discussion, however, made this extremely difficult and forced us into a thorough review of our alternative courses of diplomatic action. It was clear, however, that we had to continue movement toward a settlement, either by another partial step or by attempting an overall approach. Accordingly, I sent Henry on this latest trip.
2. I regard this present agreement as an achievement about which the United States can be justly proud. Some Americans are undoubtedly cautious about a deeper U.S. involvement in the Middle East and an American presence in the Sinai as a result of the agreement, but the price this country has to pay is small indeed in comparison to what we would have had to pay if there had been no agreement at all. The positive advantages of the agreement are many -- a stabilization of the conflict for a period, an improvement of the U.S. position in the Middle East, a continued reduction and isolation of Soviet influence in the area, the reaffirmation of the strength of our relationship with Israel, and the opening of a doorway to further future movement toward a final settlement.
3. Henry could you please discuss the results of your trip.

[Secretary Kissinger's remarks.]
4. Let me conclude by reiterating my deep personal gratitude at the success of the negotiations. We have managed to avert a serious deterioration in the Arab-Israeli situation that could have resulted in war; we have given ourselves and our friends important advantages in the Middle East; and we have kept the door open to further future movement toward a final settlement. It is important, in fact, to recognize that this agreement is not a final act but is only a step toward a conclusive and lasting peace.

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Its significance is that it gives us time and opportunity to solve the other problems related to a final settlement without the threat of imminent conflict.

5. The responsibility, however, to continue our efforts is still with us; to this end, we will need the continued confidence of all parties, Arabs as well as Israelis. We cannot be generous with one side and turn our back on the other; this is the essential reason why I shall be asking the Congress for increased assistance for Egypt when the Administration's assistance request for the Middle East goes forward, and why it is essential that we honor certain requests from Arab countries for U.S. military equipment. I shall count on your support for these programs.
6. I thank you for your encouragement in the past, and I urge your firm and active support for the present agreement.