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THE WHITE HOUSE

WASHINGTON

March 2, 1976

MEETING WITH REPUBLICAN CONGRESSIONAL LEADERS

Wednesday, March 3, 1976

8:00-9:00 a.m. (60 minutes)

The Cabinet Room

From: Max L. Friedersdorf

MLF

I. PURPOSE

To meet with Republican Congressional leaders on the Federal Elections Commission and the Security Assistance legislation.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

1. The Supreme Court has extended until March 22 the deadline for the Federal Elections Commission reconstitution.
2. The Senate Rules Committee has reported a bill containing objectionable features and the Senate is expected to consider the legislation within the next two weeks.
3. The House Administration Committee continues its mark-up of Federal Elections Commission legislation. The reported bill will likely contain the same objectionable features as the Senate version.
4. The President issued a strong statement last Friday that threatened veto of "any bill that will create confusion and will invite further delay and litigation." (SEE TAB A)
5. Chairman Wayne Hays (D-OHIO) was critical of the President's veto threat. Both John Rhodes and Chuck Wiggins may also complain about the veto threat at the Wednesday meeting on the grounds it damaged efforts to compromise an acceptable bill with Hays.
6. The Security Assistance bill (H.R. 11963), authorizing \$3.5 billion for Fiscal Year 1976, is scheduled for House Floor consideration starting Wednesday, March 3.
7. The bill is primarily for the Middle East and authorizes funds needed to implement the Sinai Accord.
8. The House Republican Policy Committee has not issued a statement supporting the bill, chiefly on the recommendation of Representative Bill Broomfield.



9. Broomfield shares deep reservations with the Administration about policy provisions of the bill such as the annual ceiling on arms sales, legislative veto by concurrent resolution, a counterproductive human rights provision, the lifting of trade and travel restrictions on Vietnam and excessive reporting requirements.
10. While there will be efforts to strike some of these onerous sections, passage of this important legislation without further restrictions is crucial, in the hope that there will be further improvements in conference to produce an acceptable bill.
11. Lee Hamilton has been the catalyst for welding together the disparate Committee factions on the Turkish Aid ban issue. However, the agreement on FMS cash and credit sales up to \$215 million through September 30 is shaky at best, and could erupt into another Floor fight on the Greek-Turkey issue.

B. Participants: SEE TAB B

C. Press Plan:

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

III. AGENDA

SEE TAB C

IV. TALKING POINTS (SEE TAB D)

1. We have two subjects on the agenda today: The Federal Elections Commission situation, and the Security Assistance bill which has passed the Senate and is on the House Floor today.
2. Perhaps we could discuss the Federal Elections Commission first --- I understand the Senate Rules Committee has reported a bill, and the House Administration Committee is in the process of marking up a bill.
3. Hugh (Scott), John (Rhodes), how do you size up the situation?



Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

One year ago the Federal Election Commission was set up because voters across the country wanted a strong watchdog to ensure that we have clean and honest elections.

Now, as a result of a Supreme Court decision and a delay in Congressional action, the essential powers of that Commission are in jeopardy. Unless Congress acts within the 20-day extension just granted by the Supreme Court, the Commission will no longer be able to:

- Enforce the campaign reform laws;
- advise candidates on what those laws mean;
- or certify candidates for Federal matching funds.

In short, the watchdog will have lost its teeth. We must not retreat from our commitment to clean elections.

When the Supreme Court acted on this matter, it made it clear that the Congress could remedy this problem by simply reconstituting the Commission. I supported the court's view and asked that the Congress act swiftly to extend the life of the Commission.

Instead, various interests -- both political and otherwise, both in and out of the Congress -- have chosen this moment to advance a wide-range of hastily considered changes in the campaign laws. Most of the bills now being considered in the Congress would introduce great uncertainty into the campaign process. With the 1976 elections only nine months away, I do not believe this is a proper time to begin tampering with the campaign reform laws, and I will veto any bill that will create confusion and will invite further delay and litigation.

Certainly no one is fully satisfied with the campaign laws now in the books. When the current political season is behind us, I ask the Congress to work with me in conducting a thorough review and revision of those laws. But right now, the most pressing task is to re-establish the Federal Election Commission as quickly as possible. I urge the Congress to put aside its debates and enact the bill that I have sent to the Congress to provide for an immediate and simple extension of the Commission.

We must get on with the job of ensuring that the political process in 1976 will be just as fair and honest as we can make it.

FOR IMMEDIATE RELEASE

FEBRUARY 20, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

On February 16, I submitted legislation to the Congress which would reconstitute the Federal Election Commission along the lines mandated by the Supreme Court. At that time, the Congress had two weeks in which to take affirmative action on this legislation or the Commission would lose most of its powers under the Federal Election Campaign Act. Now, there are only nine days left for the Congress to act.

I believe that the measure I proposed is the right way to proceed. There is simply no time to consider with sufficient care amendments to the law which are not essential to compliance with the Supreme Court decision. Nor is this the time to introduce other changes and new uncertainties into the law just as the primaries are beginning. I would have very serious reservations about any change in the existing rules under which citizens may be allowed to participate in the 1976 elections and I urge that the Congress take only the simple and necessary step of reconstituting the Federal Election Commission in an appropriate constitutional manner.

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PARTICIPANTS

The President
The Vice President

HOUSE

John Rhodes
Bob Michel
John Anderson
Sam Devine
Jack Edwards
Barber Conable
Lou Frey
Guy Vander Jagt
Jim Quillen
Chuck Wiggins
Bill Dickinson
Henson Moore
Bill Frenzel
Bill Broomfield

SENATE

Hugh Scott
Bob Griffin
John Tower
Bob Stafford
Ted Stevens
Mark Hatfield
Cliff Case

STAFF

Bob Hartmann
Jack Marsh
Rog Morton
Brent Scowcroft
Max Friedersdorf
Bill Baroody
Phil Buchen
Jim Cannon
Jim Lynn
Alan Greenspan
Doug Bennett
Vern Loen
Bill Kendall
John Carlson
Bill Gorog
Jim Connor
Charles Leppert
Tom Loeffler
Joe Jenckes
Russ Rourke
Bob Wolthuis
Don Ogilvie
Barry Roth

REGRETS

Senator Curtis
Secretary Kissinger
Dick Cheney
Ron Nessen
Bill Seidman



AGENDA

8:00-8:05 a.m. (5 minutes)	The President opens the meeting and announces the agenda.
8:05-8:15 a.m. (10 minutes)	The President calls on the leaders for a status report on the Federal Elections Commission legislation.
8:15-8:25 a.m. (10 minutes)	The President seeks comments from other leaders and jurisdictional Members concerning the Federal Elections Commission. (Bill Dickinson, Chuck Wiggins, Bill Frenzel, Henson Moore, Hugh Scott, Bob Griffin and Mark Hatfield are the jurisdictional Members who will be present.)
8:25-8:30 a.m. (5 minutes)	The President summarizes his own views on the Federal Elections Commission reconstitution.
8:30-8:35 a.m. (5 minutes)	The President introduces the subject of Security Assistance legislation, and presents his views.
8:35-8:45 a.m. (10 minutes)	The President calls on the leaders for their assessment of the Floor situation regarding the Security Assistance bill.
8:45-8:55 a.m. (10 minutes)	The President calls on jurisdictional ranking Committee Members for comments on Security Assistance. (Bill Broomfield and Cliff Case will be in attendance.)
8:55-9:00 a.m. (5 minutes)	The President summarizes the meeting.
9:00 a.m.	The President adjourns the meeting.

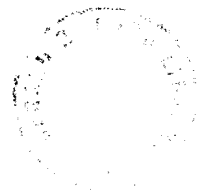


TALKING POINTS: FEDERAL ELECTION COMMISSION LEGISLATION

1. In response to the recent ruling of the Supreme Court, Congress is considering the so-called Hays Bill to reconstitute the Federal Election Commission. This legislation would also amend several important provisions in the Federal Election Campaign Act Amendments of 1974.
2. The House Administration Committee is currently marking up its bill. In the Senate, floor action is anticipated on a companion measure within the week.
3. Four principal problems are raised by this legislation:
 - a. Existing law establishing ground rules for the operation of corporate political action committees is substantially altered to their disadvantage as compared to similar committees of labor unions.
 - b. Substantial constraints are placed on the independence of the Federal Election Commission with respect to the promulgation of regulations, issuance of advisory opinions and enforcement of the election laws.
 - c. The penalties which are currently available for violation of the federal election laws are substantially weakened and, in some respects, eliminated.
 - d. In several instances "improvements" proposed by the Hays Bill will lead to further uncertainty and litigation in order to ascertain Congressional intent and to resolve additional Constitutional questions.
4. Unless this legislation is drastically altered, I will be forced to veto the measure.
5. My principal concerns relative to this legislation are to insure the independent enforcement of the election laws in the present campaign and to carry forward some notion of equity between candidates and parties under the election laws.



6. We cannot afford to permit further confusion in the election laws to be introduced at this stage of the campaign; and we must unite in opposition to the present proposals, and in support of an independent election commission.



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GOP Leadership Meeting

SECURITY ASSISTANCE LEGISLATION

FY 76 Authorization Bill

BACKGROUND

The Senate and House have been working for three months on Security Assistance bills which strongly assert the role of Congress in foreign policy making and impose stringent controls over military assistance programs and commercial arms sales.

The Senate bill was adopted by a 60-30 vote on February 18. The House is scheduled to begin floor debate on Wednesday, March 3. Both bills contain a number of objectional provisions and we anticipate a major struggle on the House floor to prevent additional unacceptable amendments which would make more difficult improvements in the conference process.

Of particular concern are the following provisions:

-- Legislative Veto. Both bills contain a number of provisions where your authority to carry out certain actions can be overridden by adoption of prohibitory concurrent resolutions within a stated period. These provisions not only raise constitutional questions but provide the potential for day-to-day interference in the conduct of foreign policy.

-- Human Rights. Both bills contain human rights provisions requiring reports on the human rights situation in each recipient country and providing authority for Congress, after considering the report, to cut off assistance by concurrent resolution. The Senate bill also mandates the establishment of an Office of Human Rights in the State Department, the Director of which would report directly to Congress.

-- Anti-Discrimination. The Senate bill contains a Case Amendment requiring a cut off of arms sales and security assistance to any country which refuses a visa to a U. S. citizen participating in the furnishing of defense articles or services because of race, religion, or sex. The House International Relations Committee removed the

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By Lt NARA, Date 3/6/97

operative section of a similar Solarz amendment, but a vigorous floor fight to have it restored is expected. Enactment of such legislation would seriously threaten our relations with Saudi Arabia.

-- Chile. The Senate bill contains a Kennedy Amendment imposing a total arms embargo on Chile including items in the pipeline. The House version prohibits MAP and FMS credits, but permits FMS cash and commercial sales.

-- Termination of MAP. Both bills terminate authority for the Military Assistance Grant programs (MAP) after FY 77 except where specifically authorized by Congress, and restrict U. S. military assistance advisory groups after FY 77 to a total of three persons and in those countries specifically authorized by Congress.

-- Arms Sale Ceiling. The House bill establishes a \$9 billion annual ceiling on all government and commercial sales of arms and defense services. This provision would create administrative chaos and could severely constrict U. S. sales abroad.

-- Relations with Vietnam. The House bill contains a Bingham-Gilman amendment which would restrict your authority to impose trade, travel and financial restrictions on the two Vietnams for a 180-day period in order to encourage them to provide information on the MIA's. There is some chance this can be eliminated on the floor, given the general animosity to helping Vietnam.

-- Turkey. The Senate bill includes an Eagleton amendment which continues the existing suspension of military grants and credits and permits resumption of FMS cash sales but only until October 1, when the embargo on everything but commercial sales would be reimposed. A Hamilton amendment to the House bill would permit FMS cash and credit sales up to a ceiling of \$125 million through September 30. The House version would be a major breakthrough if it can prevail through the floor vote and the conference.

-- Funding. Under pressure from Muskie's Budget Committee, the Senate cut \$400 million from your request of \$3,465 billion. Jordan, Turkey and Korea suffered the largest cuts in MAP while supporting assistance for Jordan and Syria were cut. The House levels are more generous, providing virtually our full request for FMS and supporting assistance while cutting MAP only slightly, with Jordan and Turkey again being hit the hardest.

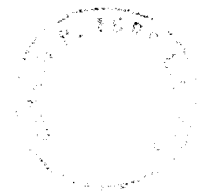


In light of the general unpopularity of security assistance and the readiness of the Congress to add all manner of restrictive amendments, we have adopted a legislative strategy geared to protecting the bills from further amendments on the floor, thus maintaining current differences between the two bills to permit constructive action in the conference. Nevertheless, both bills contain so many restrictions on your authority and so threaten disruption of our foreign relations that, depending on the outcome of the House-Senate conference, eventual recommendations that you veto the bill cannot be ruled out. Alternative means of funding critical programs, including the Middle East package, are now under review.

You will want to use the leadership meeting to impress upon the House members your concerns about this legislation and to seek their support in preventing the House bill from being opened up to further amendments on the floor, a process which can only make the bill worse and eliminate our hopes for a successful conference. Bill Broomfield, who did a superb job protecting our interests in the HIRC, remains very concerned about the onerous provisions of the House bill and the likelihood of further encroachments on your authority in the course of the floor debate. He is weighing a strategy of recommitting the bill and substituting for it a simple balanced funding package to cover the critical Middle East programs.

TALKING POINTS

1. I would like to take a few minutes to tell you of my concerns about the security assistance bill, which I understand the House may take up today.
2. I also want to mention how important I consider our plans to make limited sales of military equipment to Egypt. We are now consulting with the Congress on our plans, emphasizing the importance of giving President Sadat something to show for the Sinai agreement and to offset the loss of Soviet military assistance. The failure of the U. S. to do anything at all in this field would have a very damaging effect on Sadat's political position and on the morale of his army. I realize this is a sensitive issue, but we will soon be sending up notices of large shipments to Israel and that should help balance the public impression.



3. The security assistance legislation, and especially those provisions related to our Middle East peace efforts, is among the most important pieces of legislation I've sent to the Hill so far this year. I deeply appreciate the work Bill Broomfield and others of you have done to keep some balance and flexibility in the bill and maintain the spirit of my original proposals.
4. But quite frankly, I must say that many of the provisions which have been added to the bill could seriously undermine our ability to conduct an effective foreign policy. In particular, I am deeply concerned that the provisions on human rights and discrimination could seriously damage important economic relationships and disrupt our relations with several key countries which could, for example, prevent our playing the constructive balancing and mediating role which is absolutely essential to the search for peace in the Middle East.
5. I realize that it is almost impossible to clean up the bill by floor amendments, since we are likely to get more bad changes than good ones and will wind up worse for the effort. I ask you to do whatever you can to keep the bill from getting worse so we'll have something hopeful to take to conference where I understand we have some chance to eliminate some of the most objectional features.
6. I also hope you can build a good record in the debate on the dangers to our security inherent in these attempts to limit our flexibility and to base our entire relationship with certain countries on narrow standards of conduct and moral acceptability.
7. (to Bill Broomfield) Bill, can you tell us where we stand in the House and what our alternatives might be to accepting such legislation?
8. In conclusion, let me say that we will watch the progress of this bill carefully and I hope you will all help in keeping further restrictive amendments off this bill.



Additional Points for Response if Raised9. Turkey

The compromise in the House bill permits us to restore FMS credit and cash sales to Turkey but continues to express congressional pressure on Turkey to achieve a peaceful settlement of the Cyprus problem. This authority will be a big help in our relations with Turkey. It is essential that this provision not be toughened on the floor. Such a move would enflame the Turks just as we enter the final negotiations of a new Defense Cooperation Agreement. Congress will have another chance to fully debate the assistance issue when that Agreement is presented.

10. Syria

I understand there may also be moves to delete all aid for Syria or to link any such aid to Jewish emigration. Syria is an essential element in our Middle East peace strategy. The Syrians place a high value on our aid as a symbol of mutual confidence and this confidence is essential to our dialogue with them. To single out Syria for a cut or to take a confrontational approach on the emigration issue would seriously undermine our efforts to keep Syria in the negotiating process.

11. Vietnam Trade Restrictions

I feel the Committee was unwise in removing the existing limitations on trade, financial transfers and travel to North and South Vietnam in order to encourage them to account for our MIA's. This will limit my flexibility to reciprocate and respond in a deliberate manner in normalizing relations. I have great sympathy for the MIA families, but I see no justification yet for making the changes this bill does now. I would prefer to see these provisions removed if possible.

12. Appropriations

(FYI: All of the above points refer to the FY 76 Authorization Bill. An appropriation bill for both economic and military assistance is also in process; you met with Representative Passman on this bill last week.)

The Foreign Assistance Appropriations Bill will also come to the floor this week. Last year we had to take large cuts because

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we had too little Republican support. This year's bill for economic and military assistance has already been cut as deeply as we can afford by the Appropriations Committee. I need your support this year to ensure adequate levels of Middle East funding and to continue important development assistance and humanitarian programs.

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