

The original documents are located in Box 10, folder “Foreign Assistance (2)” of the Loen and Leppert Files 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 Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections.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.

NATIONAL ARCHIVES AND RECORDS SERVICE

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
1. Memo	Brent Scowcroft to the President re revised security assistance legislation (8 pp.) <i>opened 10/2/88 KBH</i>	5/17/76	A
	2. <u>Janka to McCloskey et.al., 5/19/76</u>		
2a. Memo	Les Janka to Ambassador McCloskey, William Breha, and Dennis Neill re presidential guidance on FY76-77 security assistance legislation (2 pp.) <i>opened w/ 3/97</i>	5/19/76	A
2b. Memo	Copy of item 1 (8 pp.) <i>copy memo 11/21/00</i>	5/17/76	A
2c. Memo			
3. Memo	Copy of item 2a (2 pp.)	5/19/76	A

FILE LOCATION

Charles Leppert Files
 General Subject File
 Foreign Assistance (2)

Box 10

RESTRICTION CODES

- (A) Closed by Executive Order 12065 governing access to national security information.
 (B) Closed by statute or by the agency which originated the document.
 (C) Closed in accordance with restrictions contained in the donor's deed of gift.

WHM, 3/21/84

[1976?]
File

ADMINISTRATION POSITION
ON
TRANSITION QUARTER FUNDING

HR 12203

-- The Administration strongly opposes the Senate's addition of \$629 million to the President's request for foreign military sales credits and security supporting assistance for the Transition Quarter. On April 6, 1976, the President wrote Congressional leaders that such increases for the Transition Quarter were not justified in a period of domestic austerity.

-- The Administration will accept the lower compromise levels proposed by Chairman Passman, which constitute a modest and carefully balanced package of assistance to key Middle East countries:

Israel	\$200 FMS Credits (50% Forgiven) 75 Supporting Assistance (Grant)
Egypt	\$100 Supporting Assistance (Grant)
Jordan	\$ 60 Supporting Assistance (Grant)
Syria	\$ 15 Supporting Assistance (Grant)

-- These levels are a fair compromise: a balanced program sufficient to meet the needs of our friends in the Middle East, but which reflects the budgetary constraints imposed by a period of austerity at home.

-- The Administration's requests for Israel for FY 1976 (\$2,290 million) and FY 1977 (\$1,840 million), plus the funds added for the TQ, will be fully adequate to meet Israel's needs for U.S. assistance to manage its security and economic problems through all 27 months of FY '76-TQ-FY '77.

- Since 1949 the United States will have provided (including the sum now under consideration) a total of \$10.6 billion in military and economic assistance to Israel. The funds requested by the Administration for 1976-77 thus represent over 40% of all U.S. aid to Israel since its creation.

- The President will not accept further increases for Transition Quarter funding.

- HR 12203 contains funds for many important security assistance programs. The 1976 fiscal year ends Wednesday. Attempts to further amend or increase the levels in this bill will inevitably delay critical assistance to American friends and allies.

[1976?]

ADMINISTRATION POSITION ON
TRANSITION QUARTER FUNDING--H. R. 12203
(Foreign Assistance Appropriation Bill)

-- The President strongly opposes Senate action adding nearly \$800 million in program terms (\$623*million in appropriated funds) to his budget request for foreign military sales credits and security supporting assistance for the transition quarter. If these funds are included, the President will veto the bill.

-- Security assistance levels requested for FY 1976 are adequate to cover the transition quarter. This determination was made after rigorous study and analysis designed to arrive at a balanced, adequate program sufficient for the essential needs of our friends in the Middle East.

-- The programs we proposed for FY 1976 (\$2,290 million) and FY 1977 (\$1,840 million) are adequate to meet Israel's needs for U. S. assistance to manage its security and economic problems through all eight quarters of calendar years 1976 and 1977. Therefore, the U. S. does not need to provide additional "transitional" quarter assistance to Israel.

-- Although the President would like to be able to do more for our allies and friends, he is convinced that the total level of funds already requested in FY 1976 are adequate to meet the requirements of the recipients without placing unacceptable strains on our budget in a period of austerity at home. In view of pressing and unmet needs in other areas of the budget, such an increase in funding for FMS and supporting assistance in the transition quarter is not warranted.

-- Both the House Appropriations Committee and the House Budget Committee concur in the adequacy of our current funding proposals without adding money for the transition quarter.

-- If the bill is vetoed and we operate under the continuing resolution, which the President signed April 1, and which extends through September 30, aid to Israel and Egypt will be cut to less than one-third that provided in the bill passed by the House, i. e., instead of the \$2.2 billion for Israel in the House bill, Israel could receive only approximately \$600 million under the continuing resolution.

*\$629 million if all administrative expenses are included.

JANUARY 20, 1976

Office of the White House Press Secretary
-----THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

The Foreign Assistance Act of 1974, enacted by the 93rd Congress on December 30, 1974, expresses the sense of the Congress that the policies and purposes of the military assistance program should be "reexamined in light of changes in world conditions and the economic position of the United States in relation to countries receiving such assistance." Section 17(a) of the act expresses the view that the program, except for military education and training activities, "should be reduced and terminated as rapidly as feasible consistent with the security and foreign policy requirements of the United States."

To give effect to section 17(a) of the act, the Congress directed that I submit to the first session of the 94th Congress a detailed plan for the "reduction and eventual elimination of the present military assistance program." In the intervening period, the two foreign affairs committees are considering draft legislation that would arbitrarily terminate grant military assistance programs after September 30, 1977, unless authorized by the Congress.

I have stressed repeatedly in my messages to the Congress and in my reports to the American people, the need for constancy and continuity in our foreign policy, and, in particular, in our relationship with nations which turn to us for necessary support in meeting their most pressing security needs. Since World War II, the United States has extended such assistance to friends and allies. This policy has contributed immeasurably to the cause of peace and stability in the world. Many countries which once received grant military assistance have achieved self-sufficiency in providing for their security interests, and grant military assistance to a number of current recipients is being reduced or eliminated.

I firmly believe that grant military assistance in some form will remain a basic requirement for an effective U.S. foreign policy for the foreseeable future. In the Middle East and elsewhere, we must maintain our flexibility to respond to future assistance requirements which cannot now be reckoned with precision. It will continue to be in our interest to be able to meet the legitimate security requirements of countries who cannot shoulder the full burden of their own defense and grant assistance will continue to be needed to assist countries that provide us essential military bases and facilities. These requirements will not disappear; they are the necessary result of the unsettled state of the world and of our role as a world power.

Nevertheless, in recognition of the expressed sense of the Congress, I have, in preparing the 1977 budget and legislative program, reexamined the policies, purposes, and scope of the military assistance program with a view

more

to reducing or terminating any country programs no longer essential to the security and foreign policy interests of the United States. As a consequence of this review, the 1977 military assistance budget request will reflect a 28 percent reduction below the 1976 request, the termination of grant materiel assistance to Korea, and elimination of five small grant programs in Latin America. Furthermore, our preliminary estimate of the 1978 requirements indicates that additional reductions and some additional program terminations should be feasible in the absence of unfavorable security or economic development in the countries concerned.

I must emphasize, however, that offsetting increases in foreign military sales credits will be required in most instances to meet the legitimate military needs of our friends and allies at a time when much of their military equipment is reaching obsolescence and prices of new equipment are increasing drastically. Moreover, the capacities of many of these grant military aid recipients to assume additional foreign exchange costs because of reduced military aid are limited by the necessity to cope with higher oil prices as well as the impact of the recession in the developed countries on their exports. In these circumstances, I believe the interests of the United States in the continued security of these countries are better served by a gradual reduction of grant military assistance attuned to the particular circumstances of each country than by an arbitrary termination of all such assistance on a given date.

Finally, I must emphasize that in this uncertain and unpredictable era we must maintain our national strength and our national purposes and remain faithful to our friends and allies. In these times, we must not deny ourselves the capacity to meet international crises and problems with all the instruments now at our disposal. I urge the Congress to preserve the authorities in law to provide grant military aid, an instrument of our national security and foreign policy that has served the national interest well for more than 30 years.

GERALD R. FORD

THE WHITE HOUSE,
JANUARY 20, 1976

#

[FULL COMMITTEE PRINT]

NOTICE: This bill was reported in an executive session of the Subcommittee and should not be released until consideration of it has been completed by the Full Committee. Please check on such action before release in order to be advised of any changes.

Union Calendar No.

94TH CONGRESS
2D SESSION

H. R.

[Report No. 94—]

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 1976

Mr. PASSMAN, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for Foreign
5 Assistance and related programs for the fiscal year ending
6 June 30, 1976, and the period ending September 30, 1976,
7 and for other purposes, namely:

J. 66-731—1



1 TITLE I—FOREIGN ASSISTANCE ACT ACTIVITIES

2 FUNDS APPROPRIATED TO THE PRESIDENT

3 For expenses necessary to enable the President to carry
4 out the provisions of the Foreign Assistance Act of 1961, as
5 amended, and for other purposes, to remain available until
6 June 30, 1976, and the period ending September 30, 1976.
7 unless otherwise specified herein, as follows:

8 ECONOMIC ASSISTANCE

9 Food and nutrition, Development Assistance: For nec-
10 essary expenses to carry out the provisions of section 103,
11 \$487,500,000: *Provided*, That the amounts provided for
12 loans to carry out the purposes of these paragraphs shall
13 remain available until expended.

14 For "Food and nutrition, Development Assistance" for
15 the period July 1, 1976, through September 30, 1976,
16 \$121,900,000.

17 Population planning and health, Development Assist-
18 ance: For necessary expenses to carry out the provisions of
19 section 104, \$180,000,000: *Provided*, That the amounts pro-
20 vided for loans to carry out the purposes of these paragraphs
21 shall remain available until expended: *Provided further*,
22 That not more than \$135,000,000 appropriated or made
23 available under this Act shall be used for population plan-
24 ning during the current fiscal year.

25 For "Population planning and health, Development As-

1 "sistance" for the period July 1, 1976, through September 30,
2 1976, \$45,000,000: *Provided*, That not more than \$33,-
3 750,000 appropriated or made available under this Act shall
4 be used for population planning during this period.

5 Education and human resources development, Develop-
6 ment Assistance: For necessary expenses to carry out the
7 provisions of section 105, \$82,000,000: *Provided*, That the
8 amounts provided for loans to carry out the purposes of
9 these paragraphs shall remain available until expended.

10 For "Education and human resources development, De-
11 velopment Assistance" for the period July 1, 1976, through
12 September 30, 1976, \$20,500,000.

13 Technical assistance, energy, research, reconstruction,
14 and selected development problems, Development Assist-
15 ance: For necessary expenses to carry out the provisions of
16 section 106, \$72,000,000: *Provided*, That the amounts pro-
17 vided for loans to carry out the purposes of these para-
18 graphs shall remain available until expended.

19 For "Technical assistance, energy, research, reconstruc-
20 tion, and selected development problems, Development As-
21 sistance" for the period July 1, 1976, through September 30,
22 1976, \$18,000,000.

23 Loan allocation, Development Assistance: Of the new
24 obligational authority appropriated under this Act to carry
25 out the provisions of sections 103-106, not less than \$300,-



1 000,000 shall be available for loans for fiscal year 1976
 2 and not less than \$75,000,000 shall be available for loans
 3 for the period July 1, 1976, through September 30, 1976.

4 International organizations and programs: For neces-
 5 sary expenses to carry out the provisions of section 301,
 6 \$160,000,000, of which not more than \$20,000,000 shall
 7 be available for the United Nations Children's Fund: *Pro-*
 8 *vided*, That none of the funds appropriated or made available
 9 pursuant to this Act shall be used to supplement the funds
 10 provided to the United Nations Development Program in
 11 fiscal year 1975.

12 For "International organizations and programs" for the
 13 period July 1, 1976, through September 30, 1976,
 14 \$19,200,000.

15 United Nations Environment Fund: For necessary
 16 expenses to carry out the provisions of section 2 of the
 17 United Nations Environment Program Participation Act
 18 of 1973, \$5,000,000.

19 American schools and hospitals abroad: For necessary
 20 expenses to carry out the provisions of section 214,
 21 \$20,000,000.

22 For "American schools and hospitals abroad" for the
 23 period July 1, 1976, through September 30, 1976,
 24 \$2,500,000.

1 American schools and hospitals abroad (special foreign
 2 currency program): For necessary expenses to carry out
 3 the provisions of section 214, \$7,000,000 in foreign cur-
 4 rencies which the Treasury Department determines to be
 5 excess to the normal requirements of the United States, to
 6 remain available until expended.

7 For "American schools and hospitals abroad (special
 8 foreign currency program)" for the period July 1, 1976,
 9 through September 30, 1976, \$1,750,000, in foreign cur-
 10 rencies which the Treasury Department determines to be
 11 excess to the normal requirements of the United States, to
 12 remain available until expended.

13 John McCormack Center, St. John's Medical College
 14 (special foreign currency program): For necessary expenses
 15 to carry out the purposes of Part I, as authorized by section
 16 612 (a), \$13,650,000 in foreign currencies which the Treas-
 17 ury Department determines to be excess to the normal
 18 requirements of the United States: *Provided*, That such
 19 amount shall be available solely for the John W. McCormack
 20 Center, the Hospital of St. John's Medical College,
 21 Bangalore, India, and that of such amount not more than
 22 \$9,000,000 shall be available for an endowment to assist
 23 needy patients at the Center.

24 Indus Basin Development Fund, grants: For necessary



1 expenses to carry out the provisions of section 302 (b) (2)
 2 with respect to Indus Basin Development Fund, grants,
 3 \$9,000,000: *Provided*, That no other funds appropriated or
 4 made available under this Act shall be used for the purposes
 5 of such section during the current fiscal year.

6 For "Indus Basin Development Fund, grants" for the
 7 period July 1, 1976, through September 30, 1976,
 8 \$2,250,000.

9 Indus Basin Development Fund, loans: For expenses
 10 authorized by section 302 (b) (1) \$5,000,000, to remain
 11 available until expended: *Provided*, That no other funds
 12 appropriated or made available under this Act shall be used
 13 for the purposes of such section during the current fiscal
 14 year.

15 Contingency fund: For necessary expenses \$5,000,000,
 16 to be used for the purposes set forth in section 451.

17 For "Contingency fund" for the period July 1, 1976,
 18 through September 30, 1976, \$1,250,000.

19 International disaster assistance: For necessary expenses
 20 to carry out the provisions of section 491, \$20,000,000.

21 For "International disaster assistance" for the period
 22 July 1, 1976, through September 30, 1976, \$5,000,000.

23 African development program: For necessary expenses
 24 to carry out the provisions of section 494B, \$5,000,000.

1 Cyprus relief and rehabilitation: For necessary expenses
 2 to carry out the provisions of section 495, \$25,000,000.

3 For "Cyprus relief and rehabilitation" for the period
 4 July 1, 1976, through September 30, 1976, \$5,000,000.

5 International narcotics control: For necessary expenses
 6 to carry out the provisions of section 481, \$25,000,000.

7 For "International narcotics control" for the period
 8 July 1, 1976, through September 30, 1976, \$6,250,000.

9 Payment to the Foreign Service Retirement and Dis-
 10 ability Fund: For payment to the "Foreign Service retire-
 11 ment and disability fund," as authorized by the Foreign
 12 Service Act of 1946, as amended (22 U.S.C. 1105-1106),
 13 \$16,680,000.

14 Overseas training (Special foreign currency program):
 15 For necessary expenses to carry out the provisions of Section
 16 612, \$200,000 in foreign currencies which the Treasury
 17 declares to be excess to the normal requirements of the
 18 United States.

19 Except for the Contingency Fund, unobligated balances
 20 as of June 30, 1975, and June 30, 1976, of funds here-
 21 tofore made available under the authority of the Foreign
 22 Assistance Act of 1961, as amended, except as otherwise
 23 provided by law, are hereby continued available through
 24 September 30, 1976, for the same general purposes for



1 which appropriated and amounts certified pursuant to sec-
 2 tion 1311 of the Supplemental Appropriation Act, 1955,
 3 as having been obligated against appropriations heretofore
 4 made under the authority of the Foreign Assistance Act
 5 of 1961, as amended, for the same general purpose as any
 6 of the subparagraphs under "Economic Assistance," "Middle
 7 East Special Requirements Fund," "Security Supporting
 8 Assistance," "International Military Education and Train-
 9 ing," and "Indochina Postwar Reconstruction Assistance,"
 10 are hereby continued available for the same period as the
 11 respective appropriations in such subparagraphs for the
 12 same general purpose: *Provided*, That such purpose relates
 13 to a project or program previously justified to Congress, and
 14 the Committees on Appropriations of the House of Repre-
 15 sentatives and the Senate are notified prior to the reobliga-
 16 tion of funds for such projects or programs.

17 MIDDLE EAST SPECIAL REQUIREMENTS FUND

18 Middle East special requirements fund: For necessary
 19 expenses to carry out the provisions of section 901 and sec-
 20 tion 903 of the Foreign Assistance Act of 1961, as amended,
 21 \$50,000,000: *Provided*, That none of the funds appropriated
 22 under this heading may be used to provide a United States
 23 contribution to the United Nations Relief and Works
 24 Agency.

25 For "Middle East special requirements fund" for the

1 period July 1, 1976, through September 30, 1976,
 2 \$10,000,000.

3 SECURITY SUPPORTING ASSISTANCE

4 Security supporting assistance: For necessary expenses
 5 to carry out the provisions of section 531 of the Foreign
 6 Assistance Act of 1961, as amended, \$1,712,500,000: *Pro-*
 7 *vided*, That of the funds appropriated under this paragraph,
 8 \$700,000,000 shall be allocated to Israel, \$695,000,000
 9 shall be allocated to Egypt, \$72,500,000 shall be allocated
 10 to Jordan, \$80,000,000 shall be allocated to Syria, and
 11 \$65,000,000 shall be allocated to Greece.

12 For "Security Supporting Assistance" for the period
 13 July 1, 1976, through September 30, 1976, \$25,200,000.

14 MILITARY ASSISTANCE

15 Military assistance: For necessary expenses to carry out
 16 the provisions of section 503 of the Foreign Assistance Act
 17 of 1961, as amended, including administrative expenses and
 18 purchase of passenger motor vehicles for replacement only
 19 for use outside of the United States, \$225,000,000; and, for
 20 liquidation of obligations incurred pursuant to the authority
 21 of section 506 of the Foreign Assistance Act of 1961, as
 22 amended, \$323,913,000: *Provided*, That none of the funds
 23 contained in this paragraph shall be available for the pur-
 24 chase of new automotive vehicles outside of the United States.

1 For "Military Assistance" for the period July 1, 1976.
2 through September 30, 1976, \$27,200,000.

3 INTERNATIONAL MILITARY EDUCATION AND TRAINING

4 International military education and training: For neces-
5 sary expenses to carry out the provisions of section 541 of the
6 Foreign Assistance Act of 1961, as amended, \$25,000,000.

7 For "International military education and training" for
8 the period July 1, 1976, through September 30, 1976,
9 \$6,250,000.

10 OVERSEAS PRIVATE INVESTMENT CORPORATION

11 The Overseas Private Investment Corporation is au-
12 thorized to make such expenditures within the limits of
13 funds available to it and in accordance with law (including
14 not to exceed \$10,000 for entertainment allowances), and
15 to make such contracts and commitments without regard to
16 fiscal year limitations as provided by section 104 of the Gov-
17 ernment Corporation Control Act, as amended (31 U.S.C.
18 849), as may be necessary in carrying out the program set
19 forth in the budget for the current fiscal year and for the
20 period July 1, 1976, through September 30, 1976.

21 INTER-AMERICAN FOUNDATION

22 The Inter-American Foundation is authorized to make
23 such expenditures within the limits of funds available to it
24 and in accordance with the law, and to make such contracts
25 and commitments without regard to fiscal year limitations

1 as provided by section 104 of the Government Corporation
2 Control Act, as amended (31 U.S.C. 849), as may be nec-
3 essary in carrying out its authorized programs during the
4 current fiscal year and for the period July 1, 1976, through
5 September 30, 1976: *Provided*, That not to exceed \$5,000,-
6 000 shall be available to carry out the authorized programs
7 during the current fiscal year.

8 For "Inter-American Foundation" for the period July 1,
9 1976, through September 30, 1976, not to exceed \$1,250,-
10 000 shall be available to carry out the authorized programs.

11 GENERAL PROVISIONS

12 SEC. 101. None of the funds herein appropriated (other
13 than funds appropriated for "International organizations and
14 programs" and "Indus Basin Development Fund") shall
15 be used to finance the construction of any new flood control,
16 reclamation, or other water or related land resource project
17 or program which has not met the standards and criteria
18 used in determining the feasibility of flood control, reclama-
19 tion, and other water and related land resource programs
20 and projects proposed for construction within the United
21 States of America as per memorandum of the President
22 dated May 15, 1962.

23 SEC. 102. Except for the appropriations entitled "Con-
24 tingency fund", "International disaster assistance", and ap-
25 propriations of funds to be used for loans, not more than 20

1 per centum of any appropriation item made available by
 2 this title for fiscal year 1976 shall be obligated and/or re-
 3 served during the last month of availability.

4 SEC. 103. None of the funds herein appropriated nor
 5 any of the counterpart funds generated as a result of assist-
 6 ance hereunder or any prior Act shall be used to pay pen-
 7 sions, annuities, retirement pay, or adjusted service com-
 8 pensation for any persons heretofore or hereafter serving
 9 in the armed forces of any recipient country.

10 SEC. 104. None of the funds appropriated or made avail-
 11 able pursuant to this Act for carrying out the Foreign Assist-
 12 ance Act of 1961, as amended, may be used for making
 13 payments on any contract for procurement to which the
 14 United States is a party entered into after the date of enact-
 15 ment of this Act which does not contain a provision author-
 16 izing the termination of such contract for the convenience of
 17 the United States.

18 SEC. 105. None of the funds appropriated or made avail-
 19 able under this Act for carrying out the Foreign Assistance
 20 Act of 1961, as amended, may be used to make payments
 21 with respect to any capital project financed by loans or grants
 22 from the United States where the United States has not
 23 directly approved the terms of the contracts and the firms
 24 to provide engineering, procurement, and construction serv-
 25 ices on such projects.

1 SEC. 106. Of the funds appropriated or made available
 2 pursuant to this Act, not more than \$15,000,000 may be
 3 used during the current fiscal year and the period July 1,
 4 1976, through September 30, 1976, in carrying out research
 5 under section 106 (a) (3) of the Foreign Assistance Act
 6 of 1961, as amended.

7 SEC. 107. None of the funds appropriated or made avail-
 8 able pursuant to this Act for carrying out the Foreign Assist-
 9 ance Act of 1961, as amended, may be used to pay in whole
 10 or in part any assessments, arrearages, or dues of any mem-
 11 ber of the United Nations.

12 SEC. 108. None of the funds made available by this Act
 13 for carrying out the Foreign Assistance Act of 1961, as
 14 amended, may be obligated for financing, in whole or in part,
 15 the direct costs of any contract for the construction of facili-
 16 ties and installations in any underdeveloped country, unless
 17 the President shall have promulgated regulations designed to
 18 assure, to the maximum extent consistent with the national
 19 interest and the avoidance of excessive costs to the United
 20 States, that none of the funds made available by this Act and
 21 thereafter obligated shall be used to finance the direct costs
 22 under such contracts for construction work performed by
 23 persons other than qualified nationals of the recipient country
 24 or qualified citizens of the United States: *Provided, however,*



1 That the President may waive the application of this section
2 if it is important to the national interest.

3 SEC. 109. None of the funds contained in title I of this
4 Act may be used to carry out the provisions of sections
5 209 (d) and 251 (h) of the Foreign Assistance Act of
6 1961, as amended.

7 SEC. 110. None of the funds appropriated or made
8 available pursuant to this Act shall be obligated or expended
9 to finance directly or indirectly any assistance to North Viet-
10 nam, South Vietnam, Cambodia, or Laos, nor shall any funds
11 herein appropriated or made available be channeled through
12 or administered by international organizations, United Na-
13 tions organizations, multilateral organizations, voluntary
14 agencies, or any other comparable organizations or agencies
15 in order to finance any assistance to North Vietnam, South
16 Vietnam, Cambodia, or Laos.

17 SEC. 111. None of the funds appropriated or made avail-
18 able pursuant to this Act shall be obligated or expended to
19 finance directly or indirectly any type of military assistance
20 to Angola.

21 SEC. 112. None of the funds made available under this
22 Act for "Food and nutrition, Development Assistance,"
23 "Population planning and health, Development Assistance,"
24 "Education and human resources development, Develop-
25 ment Assistance," "Technical assistance, energy, research,

1 reconstruction, and selected development problems, Devel-
2 opment Assistance," "International organizations and pro-
3 grams," "United Nations Environment Fund," "American
4 schools and hospitals abroad," "Indus Basin Development
5 Fund," "International narcotics control," "African develop-
6 ment program," "Security supporting assistance," "Middle
7 East special requirements fund," "Military assistance," "In-
8 ternational military education and training," "Inter-Ameri-
9 can Foundation," "Peace Corps," "Migration and refugee
10 assistance," or "Assistance to refugees from the Soviet Un-
11 ion," shall be available for obligation for activities, pro-
12 grams, projects, countries, or other operations unless the
13 Committee on Appropriations of the Senate and House of
14 Representatives are previously notified fifteen days in
15 advance.

16 SEC. 113. The funds appropriated or made available
17 pursuant to this Act shall be available notwithstanding the
18 provisions of section 10 of Public Law 91-672.

19 SEC. 114. The payments due in 1976, 1977, 1978,
20 1979, and 1980 on loans made for the benefit of the Weiz-
21 mann Institute, Hebrew University, Tel Aviv University,
22 Israel Institute of Technology, American-Israeli Cultural
23 Translation, Bar Ilan University, Israel Program for Scien-
24 tific Translations, Keren Haganav and Misrachi Women's
25 Organization of America from funds available under title I

1 of the Agricultural Trade Development and Assistance Act
2 of 1954, as amended (Public Law 480), are hereby deferred
3 from repayment until 1981.

4 SEC. 115. The Act of May 23, 1975 (making appropri-
5 ations for special assistance to refugees from Cambodia and
6 Vietnam, Public Law 94-24) is hereby amended by striking
7 out "Cambodia and Vietnam" each place it appears therein
8 and inserting in lieu thereof "Cambodia, Vietnam, and Laos".

9 TITLE II—FOREIGN MILITARY CREDIT SALES

10 FOREIGN MILITARY CREDIT SALES

11 For expenses not otherwise provided for, necessary to
12 enable the President to carry out the provisions of the For-
13 eign Military Sales Act, \$1,065,000,000: *Provided*, That
14 of the amount provided for the total aggregate credit sale
15 ceiling during the current fiscal year, not less than \$1,500,-
16 000,000 shall be allocated to Israel.

17 For "Foreign Military Credit Sales" for the period
18 July 1, 1976, through September 30, 1976, \$30,000,000.

19 TITLE III—FOREIGN ASSISTANCE (OTHER)

20 INDEPENDENT AGENCY

21 ACTION—INTERNATIONAL PROGRAMS

22 PEACE CORPS

23 For expenses necessary for Action to carry out the pro-
24 visions of the Peace Corps Act (75 Stat. 612), as amended,
25 \$80,000,000.

1 For "Action—International Programs (Peace Corps)"
2 for the period July 1, 1976, through September 30, 1976,
3 \$20,000,000.

4 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE 5 ASSISTANCE TO REFUGEES IN THE UNITED STATES 6 (CUBAN PROGRAM)

7 For expenses necessary to carry out the provisions of
8 the Migration and Refugee Assistance Act of 1962 (Public
9 Law 87-510), relating to aid to refugees within the United
10 States (Cuban program) including hire of passenger motor
11 vehicles, and services as authorized by 5 U.S.C. 3109,
12 \$85,000,000.

13 For "Assistance to refugees in the United States (Cuban
14 program)" for the period July 1, 1976, through September
15 30, 1976, \$19,000,000.

16 DEPARTMENT OF STATE 17 MIGRATION AND REFUGEE ASSISTANCE

18 For expenses, not otherwise provided for, necessary to
19 enable the Secretary of State to provide, as authorized by
20 law, a contribution to the International Committee of the
21 Red Cross and assistance to refugees, including contributions
22 to the Intergovernmental Committee for European Migra-
23 tion and the United Nations High Commissioner for Refu-
24 gees; salaries and expenses of personnel and dependents as
25 authorized by the Foreign Service Act of 1946, as amended

1 (22 U.S.C. 801-1158); allowances as authorized by 5
 2 U.S.C. 5921-5925; hire of passenger motor vehicles; and
 3 services as authorized by 5 U.S.C. 3109; \$9,000,000, of
 4 which not to exceed \$8,171,000 shall remain available until
 5 December 31, 1976: *Provided*, That no funds herein appro-
 6 priated shall be used to assist directly in the migration to
 7 any nation in the Western Hemisphere of any person not
 8 having a security clearance based on reasonable standards
 9 to insure against Communist infiltration in the Western
 10 Hemisphere.

11 For "Migration and refugee assistance" for the period
 12 July 1, 1976, through September 30, 1976, \$800,000.

13 ASSISTANCE TO REFUGEES FROM THE SOVIET UNION
 14 For necessary expenses to carry out the provisions of
 15 section 101 (b) of the Foreign Relations Authorization Act
 16 of 1972 and the provisions of section 501 (c) of the Foreign
 17 Relations Authorization Act, Fiscal Year 1976, \$15,000,-
 18 000.

19 FUNDS APPROPRIATED TO THE PRESIDENT

20 INTERNATIONAL FINANCIAL INSTITUTIONS

21 INVESTMENT IN ASIAN DEVELOPMENT BANK

22 For payment by the Secretary of the Treasury of the
 23 second installment of the United States subscription to the
 24 (1) paid-in capital stock; (2) callable capital stock; and

25 authorized by the Foreign Service Act of 1946, and under

1 (3) for the United States contribution to the special funds
 2 of the Asian Development Bank, as authorized by the Asian
 3 Development Bank Act of December 22, 1974 (Public Law
 4 93-537) \$85,317,454, to remain available until expended.

5 INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

6 For payment to the Inter-American Development Bank
 7 by the Secretary of the Treasury for the United States share
 8 of the increase in the resources of the Fund for Special Oper-
 9 ations authorized by the Acts of December 30, 1970 (Public
 10 Law 91-599), and March 10, 1972 (Public Law 92-246),
 11 \$200,000,000 to remain available until expended. *Provided*,
 12 That the amounts made available under this head in the
 13 "Foreign Assistance and Related Programs Appropriations
 14 Act, 1975" shall be available without limitation, notwith-
 15 standing the three provisos contained therein.

16 INVESTMENT IN INTERNATIONAL DEVELOPMENT

17 ASSOCIATION

18 For payment by the Secretary of the Treasury of the
 19 first installment of the United States contribution to the
 20 fourth replenishment of the resources of the International
 21 Development Association as authorized by the International
 22 Development Association Act of August 14, 1974 (Public
 23 Law 93-373), \$320,000,000, to remain available until
 24 expended.



1 TITLE IV—EXPORT-IMPORT BANK OF THE
2 UNITED STATES

3 The Export-Import Bank of the United States is hereby
4 authorized to make such expenditures within the limits of
5 funds and borrowing authority available to such corporation,
6 and in accord with law, and to make such contracts and com-
7 mitments without regard to fiscal year limitations as provided
8 by section 104 of the Government Corporation Control Act,
9 as amended, as may be necessary in carrying out the program
10 set forth in the budget for the current fiscal year and for the
11 period July 1, 1976, through September 30, 1976, for such
12 corporation, except as hereinafter provided.

13 LIMITATION ON PROGRAM ACTIVITY

14 Not to exceed \$5,619,945,000 (of which not to exceed
15 \$3,000,000,000 shall be for equipment and service loans)
16 shall be authorized during the current fiscal year for other
17 than administrative expenses.

18 For "Limitation on program activity" for the period
19 July 1, 1976, through September 30, 1976, not to exceed
20 \$1,436,813,000 (of which not to exceed \$737,500,000 shall
21 be for equipment and service loans).

22 LIMITATION ON ADMINISTRATIVE EXPENSES

23 Not to exceed \$11,416,000 (to be computed on an
24 accrual basis) shall be available during the current fiscal
25 year for administrative expenses, including hire of passenger

1 motor vehicles, services as authorized by 5 U.S.C. 3109,
2 and not to exceed \$24,000 for entertainment allowances for
3 members of the Board of Directors: *Provided, That* (1)
4 fees or dues to international organizations of credit institu-
5 tions engaged in financing foreign trade, (2) necessary ex-
6 penses (including special services performed on a contract
7 or a fee basis, but not including other personal services) in
8 connection with the acquisition, operation, maintenance,
9 improvement, or disposition of any real or personal property
10 belonging to the Bank or in which it has an interest, including
11 expenses of collections of pledged collateral, or the investiga-
12 tion or appraisal of any property in respect to which an appli-
13 cation for a loan has been made, and (3) expenses (other
14 than internal expenses of the Bank) incurred in connection
15 with the issuance and servicing of guarantees, insurance, and
16 reinsurance, shall be considered as nonadministrative expenses
17 for the purposes hereof.

18 For "Limitation on administrative expenses" for the
19 period July 1, 1976, through September 30, 1976, \$2,949,-
20 000, of which not to exceed \$6,000 shall be for entertainment
21 allowances for members of the Board of Directors.

22 TITLE V—GENERAL PROVISIONS

23 SEC. 501. No part of any appropriation contained in this
24 Act shall be used for publicity or propaganda purposes within
25 the United States not heretofore authorized by the Congress.

1 SEC. 502. No part of any appropriation contained in
 2 this Act shall be used for expenses of the Inspector General,
 3 Foreign Assistance, after the expiration of the thirty-five
 4 day period which begins on the date the General Account-
 5 ing Office or any committee of the Congress, or any duly
 6 authorized subcommittee thereof, charged with considering
 7 foreign assistance legislation, appropriations, or expenditures,
 8 has delivered to the Office of the Inspector General, Foreign
 9 Assistance, a written request that it be furnished any docu-
 10 ment, paper, communication, audit, review, finding, recom-
 11 mendation, report, or other material in the custody or con-
 12 trol of the Inspector General, Foreign Assistance, relating
 13 to any review, inspection or audit arranged for, directed, or
 14 conducted by him, unless and until there has been furnished
 15 to the General Accounting Office or to such committee or
 16 subcommittee, as the case may be, (A) the document, paper,
 17 communication, audit, review, finding, recommendation, re-
 18 port, or other material so requested or (B) a certification
 19 by the President, personally, that he has forbidden the fur-
 20 nishing thereof pursuant to such request and his reason for
 21 so doing.

22 SEC. 503. No part of any appropriation contained in this
 23 Act shall remain available for obligation beyond the current
 24 fiscal year unless expressly so provided herein, except as
 25 provided by section 204 of Public Law 93-554.

1 SEC. 504. No part of any appropriation, funds, or other
 2 authority contained in this Act shall be available for paying
 3 to the Administrator of the General Services Administration
 4 in excess of 90 per centum of the standard level user charge
 5 established pursuant to section 210 (j) of the Federal Prop-
 6 erty and Administrative Services Act of 1949, as amended,
 7 for space and services.

8 This Act may be cited as the "Foreign Assistance and
 9 Related Programs Appropriations Act, 1976, and the period
 10 ending September 30, 1976".

[FULL COMMITTEE PRINT]

Union Calendar No.

H. R.

[Report No. 34-]

A BILL

for the purpose of providing appropriations for the fiscal year ending September 30, 1976, and for other purposes.

By Mr. [Name]

March 1, 1976

Printed by the Committee of the Whole House on the State of the Union and ordered to be printed



[FULL COMMITTEE PRINT]

Union Calendar No.

94TH CONGRESS
2D SESSION

H. R.

[Report No. 94—]

A BILL

Making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1976, and the period ending September 30, 1976, and for other purposes.

By Mr. PASSMAN

MARCH 1, 1976

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed



THE WHITE HOUSE

WASHINGTON

April 6, 1976

Dear Mr. Speaker:

In my letter of March 29, 1976 to the House and Senate Conferees, I stated my strong objections to the Senate action adding nearly \$800 million in program terms to the budget for Foreign Military Sales credits and Security Supporting Assistance for the Transition Quarter for Israel, Egypt, Jordan and Syria, since in my view these funds are not needed to meet the essential needs of the recipients. This position was only taken after the most careful review and analysis.

As you know, this Administration is firmly committed to the security of the State of Israel, and also to providing constructive economic assistance to Egypt, Jordan and Syria. However, the FY 76 and FY 77 budget levels were designed to meet these purposes on an austere basis without any funding in the Transition Quarter.

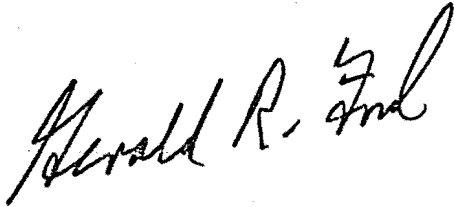
It is natural that the recipient governments would like to receive financial support at a higher level than provided in the Administration's request. I am aware also that it has been argued that the United States should fund through security assistance any budget deficit which governments might incur as the result in part of acquiring military equipment from the United States. However, it should be obvious that any such proposals are completely infeasible, since the United States is in no position to control every aspect of another government's budget spending. Security Assistance is intended to provide military and economic funding to ease the pressure on friendly governments in meeting their legitimate security needs. It never has been nor should be intended to meet every budgetary deficit or foreign exchange shortfall which another government may incur and no such commitment has been made.

Specifically in the case of Israel, my FY 76 and FY 77 budget requests provide sufficient levels of assistance to meet that nation's needs. Our most careful analysis indicates that the levels provided in the FY 76 and 77 requests for FMS are adequate to enable Israel to maintain its security. Our previous estimates of this need have been carefully rechecked and reaffirmed.

At a time when our own country's budget pressures are very great, when our nation faces many other urgent and pressing program needs and our own deficits for FY '76 and the Transition Quarter are already too large, I cannot justify more funds than have been included in my budget request.

Therefore, if I am presented with a final appropriation bill that includes additional funds for the Transition Quarter, I will be forced to exercise my veto -- an alternative which could seriously disrupt our efforts to assist our friends and allies in maintaining their security and development growth efforts. I naturally hope that the House will not make necessary such a course of action, but will instead reach the only responsible conclusion.

Sincerely,

A handwritten signature in cursive script that reads "Gerald R. Ford". The signature is written in dark ink and is positioned in the center of the page, below the word "Sincerely,".

The Honorable
The Speaker
House of Representatives
Washington, D. C. 20515

THE WHITE HOUSE
WASHINGTON

Letter sent to Conferees of HR-12203
on 3/30. Tom hand delivered.

Passman
Long, Md.
Roush
Obey
Bevill
Chappell
Koch
Wilson, Texas
Shriver
Conte
Coughlin
Mahon
Cederberg

1

THE WHITE HOUSE

WASHINGTON

March 29, 1976

Dear Mr. Chairman:

I wish to inform you of my serious reservations regarding several provisions of H. R. 12203, the foreign assistance appropriations bill, which you will soon consider in conference committee.

The security assistance levels I requested for FY 76 and the Transition Quarter were subject to the most rigorous study and analysis before their submission, and in my judgment represent a balanced and adequate program, sufficient for the minimum needs of our friends abroad but within the budgetary limits required in a period of austerity at home. Accordingly, I must oppose both the significant reductions and additions which have been made to my original budget proposals.

I strongly oppose Senate action adding nearly \$800 million in program terms to my budget requests for Foreign Military Sales Credits and Security Supporting Assistance for the Transition Quarter. In formulating my proposals for FY 1976, I took into account the added requirements of the Transition Quarter. Although I would like to be able to do more for our allies and friends, I am firmly convinced that the total level of funds already requested in FY 1976, as distributed in my original request, are adequate to meet the minimum needs of the recipients without placing unacceptable strains on our budget. In view of pressing and unmet needs in other areas of the budget, such an increase in funding for FMS and Supporting Assistance in the Transition Quarter is not warranted. Moreover, its proposed narrow distribution--particularly when taken together with the cuts in MAP--will be seriously disruptive of our relations with many countries. I will regard as unacceptable foreign assistance appropriations which include such substantial and inequitably distributed additional funding.

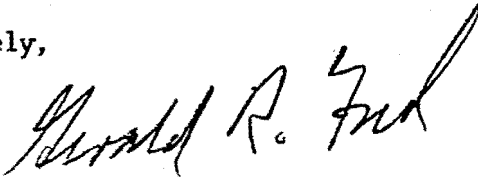
I am further deeply disturbed with the "express approval" requirement contained in Title I of the Senate bill. This provision represents an unwarranted and unconstitutional intrusion on the powers of the Executive Branch by attempting to substitute the judgment of

congressional committees for that of the Executive Branch agencies duly constituted to administer our foreign assistance programs. It raises the spectre of lengthy delays while individual projects or project amendments are reviewed in detail by congressional staffs, thus hampering the ability of the United States to respond rapidly to unpredictable changes in world events. Even if prior approval by the full Congress were appropriate, the provision is still constitutionally defective in that it delegates the legislative functions of the entire Congress to the respective committees. While we are fully prepared to keep the Congress informed of significant program changes during the fiscal year, the Senate provision is unacceptable and I would urge that it be stricken.

Finally, I am profoundly disappointed that both the Senate and House have approved only \$225.0 million for grant military assistance--considerably below my requested level of \$394.5 million. This action will mean substantial cuts in many grant military aid programs of great importance to the United States. Serious reductions will be necessary in the program for Jordan, reducing the incentive for this moderate Arab country to play a helpful role in the Middle East; in the program for the Philippines, where pending base negotiations could be jeopardized; and in the Korean program, inhibiting that country's progress toward military self-sufficiency and weakening it in face of the Communist threat. Many other important country programs will suffer as well, to the detriment of our foreign policy interests. This deep cut can only be seen abroad as a further sign that the United States is no longer willing to stand behind commitments of long-standing to its friends and allies, at a time when our national will is already being questioned by both friend and foe.

I hope you, as conferees, will bear these reservations in mind as you consider the bills and that your deliberations will produce acceptable legislation which I can sign.

Sincerely,

A handwritten signature in cursive script, reading "Gerald R. Ford". The signature is written in dark ink and is positioned below the typed name "Gerald R. Ford".

THE WHITE HOUSE

WASHINGTON

April 6, 1976

Dear Mr. Speaker:

In my letter of March 29, 1976 to the House and Senate Conferees, I stated my strong objections to the Senate action adding nearly \$800 million in program terms to the budget for Foreign Military Sales credits and Security Supporting Assistance for the Transition Quarter for Israel, Egypt, Jordan and Syria, since in my view these funds are not needed to meet the essential needs of the recipients. This position was only taken after the most careful review and analysis.

As you know, this Administration is firmly committed to the security of the State of Israel, and also to providing constructive economic assistance to Egypt, Jordan and Syria. However, the FY 76 and FY 77 budget levels were designed to meet these purposes on an austere basis without any funding in the Transition Quarter.

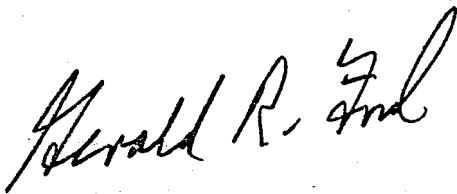
It is natural that the recipient governments would like to receive financial support at a higher level than provided in the Administration's request. I am aware also that it has been argued that the United States should fund through security assistance any budget deficit which governments might incur as the result in part of acquiring military equipment from the United States. However, it should be obvious that any such proposals are completely infeasible, since the United States is in no position to control every aspect of another government's budget spending. Security Assistance is intended to provide military and economic funding to ease the pressure on friendly governments in meeting their legitimate security needs. It never has been nor should be intended to meet every budgetary deficit or foreign exchange shortfall which another government may incur and no such commitment has been made.

Specifically in the case of Israel, my FY 76 and FY 77 budget requests provide sufficient levels of assistance to meet that nation's needs. Our most careful analysis indicates that the levels provided in the FY 76 and 77 requests for FMS are adequate to enable Israel to maintain its security. Our previous estimates of this need have been carefully rechecked and reaffirmed.

At a time when our own country's budget pressures are very great, when our nation faces many other urgent and pressing program needs and our own deficits for FY '76 and the Transition Quarter are already too large, I cannot justify more funds than have been included in my budget request.

Therefore, if I am presented with a final appropriation bill that includes additional funds for the Transition Quarter, I will be forced to exercise my veto -- an alternative which could seriously disrupt our efforts to assist our friends and allies in maintaining their security and development growth efforts. I naturally hope that the House will not make necessary such a course of action, but will instead reach the only responsible conclusion.

Sincerely,

A handwritten signature in cursive script that reads "Gerald R. Ford". The signature is written in dark ink and is positioned in the center of the page, below the main body of text.

The Honorable
The Speaker
House of Representatives
Washington, D. C. 20515

THE WHITE HOUSE

WASHINGTON

April 6, 1976

Dear Mr. Speaker:

In my letter of March 29, 1976 to the House and Senate Conferees, I stated my strong objections to the Senate action adding nearly \$800 million in program terms to the budget for Foreign Military Sales credits and Security Supporting Assistance for the Transition Quarter for Israel, Egypt, Jordan and Syria, since in my view these funds are not needed to meet the essential needs of the recipients. This position was only taken after the most careful review and analysis.

As you know, this Administration is firmly committed to the security of the State of Israel, and also to providing constructive economic assistance to Egypt, Jordan and Syria. However, the FY 76 and FY 77 budget levels were designed to meet these purposes on an austere basis without any funding in the Transition Quarter.

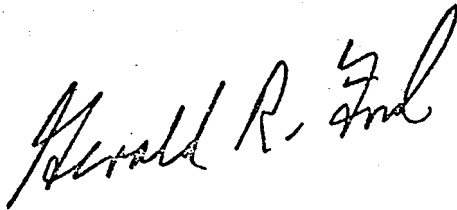
It is natural that the recipient governments would like to receive financial support at a higher level than provided in the Administration's request. I am aware also that it has been argued that the United States should fund through security assistance any budget deficit which governments might incur as the result in part of acquiring military equipment from the United States. However, it should be obvious that any such proposals are completely infeasible, since the United States is in no position to control every aspect of another government's budget spending. Security Assistance is intended to provide military and economic funding to ease the pressure on friendly governments in meeting their legitimate security needs. It never has been nor should be intended to meet every budgetary deficit or foreign exchange shortfall which another government may incur and no such commitment has been made.

Specifically in the case of Israel, my FY 76 and FY 77 budget requests provide sufficient levels of assistance to meet that nation's needs. Our most careful analysis indicates that the levels provided in the FY 76 and 77 requests for FMS are adequate to enable Israel to maintain its security. Our previous estimates of this need have been carefully rechecked and reaffirmed.

At a time when our own country's budget pressures are very great, when our nation faces many other urgent and pressing program needs and our own deficits for FY '76 and the Transition Quarter are already too large, I cannot justify more funds than have been included in my budget request.

Therefore, if I am presented with a final appropriation bill that includes additional funds for the Transition Quarter, I will be forced to exercise my veto -- an alternative which could seriously disrupt our efforts to assist our friends and allies in maintaining their security and development growth efforts. I naturally hope that the House will not make necessary such a course of action, but will instead reach the only responsible conclusion.

Sincerely,

A handwritten signature in cursive script, reading "Gerald R. Ford". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable
The Speaker
House of Representatives
Washington, D. C. 20515

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

APR 19 1976

ASSISTANT
ADMINISTRATOR

April 16, 1976

MEMORANDUM

TO: Max Friedersdorf
Assistant to the President
for Legislative Affairs

FROM: Denis M. Neill *Denis*
Assistant Administrator
for Legislative Affairs
Agency for International Development

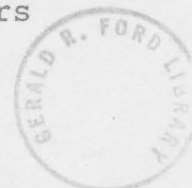
SUBJECT: Transition Quarter Funding for Middle East
Countries

This memorandum reports on A.I.D. efforts to follow up our meeting last Thursday (April 8) on the transition quarter funding for the Middle East. Because the LIG did not make specific assignments, A.I.D. has proceeded to contact as many members as possible on this issue, to present the President's position.

We have taken a "hard line" approach and, although many members have asked if there is room for compromise, we have held firm that this is an up-or-down issue.

I have personally met with Chairman Passman six times in the past week, for a total of 11 hours, and we have gone over his position - and his speech which he delivers to every member he sees - at least 10 times. I will be escorting Chairman Passman on a trip to Hong Kong and Seoul, Korea from April 18 through April 25, and I will see that he does not waver in his support.

After clearing the attached letter (Tab A) with Scowcroft, we sent it to the Chairman. My staff and I have left a copy of the President's letter (Tab B) and some reasons to support the President (Tab C) for members to use in their districts during the Easter Recess. A.I.D. has also prepared a rebuttal to the American Israel Public Affairs Committee handout, for use on the Hill (Tab D).



Members have been particularly hard to catch these last few days - because of the rush to recess - but almost all are aware of the issue, and all offices have appreciated having the arguments in favor of the President's position, to offset the stacks of AIPAC-generated cables from the districts supporting TQ funding. My analysis is a bit soft - first because the members were hard to get to and we have many staff evaluations of their members and, second, because the vote is so far away. We anticipate some changes in the positions reflected in this analysis.

Nonetheless, the analysis gives us a basis for action early in the week of April 26th. We do not expect a vote until after April 28, the day the International Security Assistance authorization Conference Report is scheduled for House floor action.

As of now, we have 142 votes in favor of the President's position; 46 votes leaning in favor; 162 votes completely undecided or undeclared; 30 votes leaning against the President's position, and 52 votes solidly against the President's position. The complete breakdown of the House membership is given in Tab E.

Enclosures: a/s

Copies to: Mr. Charles Leppert
Mr. Les Janka
Mr. Dan Parker, A.I.D.
Mr. John Murphy, A.I.D.
Mr. Bob McCloskey, State
Mr. Sam Goldberg, State



AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

TAB A

THE ADMINISTRATOR

April 13, 1976

Honorable Otto E. Passman
Chairman, Subcommittee on
Foreign Operations
Committee on Appropriations
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

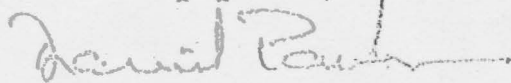
This letter responds to your request concerning the amounts for Security Supporting Assistance for the Middle East countries in H.R. 12203.

As the Administrator of the Agency for International Development, I am intimately familiar with the Security Supporting Assistance programs in Egypt, Israel, Syria and Jordan. The amount we requested for these countries - \$750 million for Egypt, \$755 million for Israel, \$90 million for Syria, and \$77.5 million for Jordan - is that which is required to meet our security supporting assistance requirements in these four countries during 1976, including the transition quarter. We believe very strongly that the amounts requested for FY 1976 are appropriate and are needed.

I would like to repeat the strong objection of the Agency for International Development to the Senate's inclusion for the transition quarter of additional Security Supporting Assistance funds, not requested by the Administration.

I hope this information assists you and your colleagues in your deliberations on H.R. 12203.

Sincerely yours,



Daniel Parker



THE WHITE HOUSE
WASHINGTON

April 6, 1976

Dear Mr. Speaker:

In my letter of March 29, 1976 to the House and Senate Conferees, I stated my strong objections to the Senate action adding nearly \$800 million in program terms to the budget for Foreign Military Sales credits and Security Supporting Assistance for the Transition Quarter for Israel, Egypt, Jordan and Syria, since in my view these funds are not needed to meet the essential needs of the recipients. This position was only taken after the most careful review and analysis.

As you know, this Administration is firmly committed to the security of the State of Israel, and also to providing constructive economic assistance to Egypt, Jordan and Syria. However, the FY 76 and FY 77 budget levels were designed to meet these purposes on an austere basis without any funding in the Transition Quarter.

It is natural that the recipient governments would like to receive financial support at a higher level than provided in the Administration's request. I am aware also that it has been argued that the United States should fund through security assistance any budget deficit which governments might incur as the result in part of acquiring military equipment from the United States. However, it should be obvious that any such proposals are completely infeasible, since the United States is in no position to control every aspect of another government's budget spending. Security Assistance is intended to provide military and economic funding to ease the pressure on friendly governments in meeting their legitimate security needs. It never has been nor should be intended to meet every budgetary deficit or foreign exchange shortfall which another government may incur and no such commitment has been made.

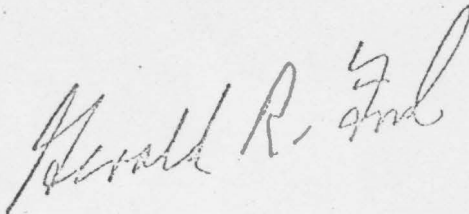
Specifically in the case of Israel, my FY 76 and FY 77 budget requests provide sufficient levels of assistance to meet that nation's needs. Our most careful analysis indicates that the levels provided in the FY 76 and 77 requests for FMS are adequate to enable Israel to maintain its security. Our previous estimates of this need have been carefully rechecked and reaffirmed.



At a time when our own country's budget pressures are very great, when our nation faces many other urgent and pressing program needs and our own deficits for FY '76 and the Transition Quarter are already too large, I cannot justify more funds than have been included in my budget request.

Therefore, if I am presented with a final appropriation bill that includes additional funds for the Transition Quarter, I will be forced to exercise my veto -- an alternative which could seriously disrupt our efforts to assist our friends and allies in maintaining their security and development growth efforts. I naturally hope that the House will not make necessary such a course of action, but will instead reach the only responsible conclusion.

Sincerely,

A handwritten signature in cursive script that reads "Gerald R. Ford". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable
The Speaker
House of Representatives
Washington, D. C. 20515



Reasons to support Chairman Passman on motions to insist on House position on amendments Nos. 36, 37, 52, and 53 on H.R. 12203 Conference Report.

Vote expected Tuesday, April 13.

1. The President strongly opposes Senate action adding nearly \$800 million in program terms (\$623 million in appropriated funds) to his budget request for foreign military sales credits and security supporting assistance for the transition quarter. If these funds are included, the President will veto the bill.
2. Security assistance levels requested for FY 1976 are adequate to cover the transition quarter. This determination was made after rigorous study and analysis designed to arrive at a balanced, adequate program sufficient for the essential needs of our friends in the Middle East.
3. We firmly believe the programs we proposed for FY 1976 (\$2,290 million) and FY 1977 (\$1,840 million) are adequate to meet Israel's needs for assistance from the United States for all eight quarters of calendar years 1976 and 1977 in order to manage the security and economic problems facing Israel. Therefore, the U.S. does not need to provide additional, "transitional" quarter assistance to Israel.
4. If the bill is vetoed and we operate under the continuing resolution, which the President signed April 1, and which extends through September 30, aid to Israel and Egypt will be cut to less than one-third that provided in the bill passed by the House, i.e., instead of the \$2.2 billion for Israel in the House bill, Israel could receive only approximately \$600 million under the continuing resolution.



Funding for the Transition Quarter

It has come to our attention that Mr. Morris Amitay, Executive Director of the American-Israel Public Affairs Committee, has circulated a letter dated April 9, 1976 containing an attachment describing the purported consequences of failure to provide Transition Quarter funding for Israel. The attachment claims that without such funding, Israel will face a foreign exchange deficit of \$610 million in calendar year 1976, Israel's GNP will decline by an additional 5 percent from 1975, and the rate of unemployment in Israel will increase to 15.2 percent.

We believe that it is important for you to have the Administration's analysis of Israel's situation, which is based on extensive and detailed discussions with Israel's Finance and Defense officials. Our conclusions are quite different from those contained in the attachment to Mr. Amitay's letter.

First, our analysis of Israel's civil revenues and expenditures shows that the civil balance of payments accounts will be roughly in balance in calendar year 1976, and in fact will probably register a slight surplus. This will be achieved with the use of fiscal year 1976 economic assistance only, without the need for Transition Quarter funds, and without drawing on the fiscal year 1977 economic aid which will be available October 1, 1976.

In the military accounts, the Administration's requested FMS level will be adequate to cover Israel's military purchases during calendar year 1976 based upon our understanding of the Israeli Government's projected military procurement schedule. More specifically, there will be a \$500 million carryover in FMS credits at the end of fiscal year 1976, which will be more than adequate to cover military financing needs during the Transition Quarter. There will be an \$80 million carryover at the end of the Transition Quarter, at which time fiscal year 1977 funds will also be available.

Obviously, since we do not agree with the Amitay letter regarding the projected deficit of \$610 million, we also disagree with the projections of a decline in GNP and unemployment which are forecast as consequences of that shortfall.

We have said before and will say again that the Administration's very carefully considered request is adequate to meet Israel's economic and military requirements, and therefore Transition Quarter funding is not required.



1. With Administration - 142

Adams
 Alexander
 Anderson, G.
 Andrews, Ike
 Andrews, Mark
 Archer
 Ashbrook

Baucus
 Bauman
 Beard, Ed
 Bedell
 Bell
 Bennett
 Bevill
 Blouin
 Bowen
 Broomfield

Carr
 Carter
 Cederberg
 Chappell

De la Garza
 Dellums
 Derwinski

English
 Evans, David

Findley
 Flynt
 Ford, Harold

Gibbons
 Goldwater

Hagedorn
 Haley
 Hamilton
 Hammerschmidt
 Hanley
 Hannaford
 Hansen
 Harkin
 Hayes

Brown, Gary
 Brown
 Burlison
 Burlison
 Byron

Clausen
 Crane
 Collins, J.
 Cornell

Devine
 Dickinson
 Dupont

Evins

Fountain
 Frey

Goodling
 Grassley

Hightower
 Hillis
 Holland
 Holt
 Horton
 Howe
 Hubbard
 Hutchinson
 Hyde



Ichord

Jacobs
Jenrette

Kasten
Kastenmeier
Kazen

Landrum
Latta

Mahon
Mathis
Mazzoli
McCollister
McDonald
McKay
Meyers, G.

Natcher
Nolan

Obey

Passman
Paul
Perkins

Railsback
Randall
Regula
Rhodes
Roberts

Spence
Shipley
Simon
Skubitz
Smith, V.
Snyder

Talcott
Taylor, R.
Teague

Ullman

Vander Jagt

Johnson, J.
Jones, W.

Kindness
Kemp

Lloyd, Marilyn
Lott

Michel
Milford
Mills
Moffett
Mollohan
Moore
Mottl

Pettis
Pickle
Poage

Robinson
Roush
Rousselot
Runnels
Ruppe

Staggers
Steed
Steiger, S.
Steiger, W.A.
Stokes

Thone
Thorton

Waggonner
Wampler
Weaver
White

Whitten
Wiggins
Wilson, Bob
Wylie

Young, J.

Zablocki

Anderson, John
Aspin
Baldus
Burgener
Burton, Phil
Carney
Clay
Derrick
Dodd
Downing
Duncan
Eckhardt
Emery
Giaino
Gonzales
Guyer
Flowers
Forsythe
Hall
Harrington
Hefner
Hicks
Hungate
Jones, E.
Jones, J.
Jones, R.
Karth
Keys
Krueger
Lafalce
Lagomarsino
Long, G.
Lujan
Metcalf

Morgan
Melcher
Patten
Pattison
Rose
Satterfield
Shuster
Smith, N.
Steelman
Stephens
Wilson, Chas. (Cal.)
Winn

3. Undecided or Undeclared - 162

Abdnor
Armstrong
Ashley
Biester
Boland
Bonker
Breau
Breckenridge
Burke, E. B.
Bafalis
Beard, R.
Brinkley
Broyhill
Clawson
Cleveland
Corman
Cohen
Cochran
Collins, C.
Conyers
Conable
Clancy
Conlan
Daniel, Dan
Daniel, Robt.
Diggs
Dent
Downey
Delaney
Danielson
Daniels
Dingell
Davis
Duncan, Robt.
Duncan, John
Evans, Frank
Esch
Edwards, D.
Edwards, J.
Eschleman
Erlenborn
Early
Edgar

Fenwick
Fraser
Frenzl
Fish
Ford, Wm.

Fuqua
Florio
Gaydos
Ginn
Gradison
Gude
Kanley
Heckler
Helstoski
Henderson
Hechler
Harsha
Hebert
Hays
Hinshaw
Hawkins
Howard
Jeffords
Johnson, Al
Johnson, H.
Jarman
Kelley
Ketchum
Krebs
Leggett
Lent
Litton
Lloyd, Jim
Lundine
Mann
Madden
Maguire
Meyner
Martin
Mineta
McCloskey
McDade
Minish

3. Undecided or Undeclared (Cont'd)

Mitchell, D.
McCormack
Montgomery
Moorhead, C.
Moss

Myers, J.
McEwen
Madigan
Miller, G.
McClory
Murphy, M.
Miller, C.
Neal
Nedzi
Nichols
Nix
Nowak
O'Brien
O'Hara
Ottinger
Patterson
Pepper
Pike
Price
Preyer
Pritchard
Pressler
Peyser
Quie
Quillen
Rees
Reuss
Richmond
Rinaldo
Risenhoover
Roe
Rogers
Roncalio
Rooney
Russo
Roybal
Rostenkowski
Ryan

Sarbanes
Sebelius
Schroeder
Santini

Sisk
Schneebeli
Stanton, J.V.
Stanton, J.W.
Stratton
Stuckey
Slack
Sullivan
Symms
Sharp
Schulze
Studds
Sikes
Symington
Taylor, Gene
Treen
Thompson
Vandeerlin
Vanderveen
Vigorito
Walsh
Whalen
Wirth
Whitehurst
Wright
Wydler
Yatron
Young, Bill
Young, Don
Zefferetti

4. Leaning Against Administration - 30

Allen
Aucoin
Bergland
Brown, G.
Buchanan
Butler
Chisholm
D'Amours
Drinan
Fascell
Fisher
Flood
Foley
Gilman
Levitas
Macdonald
Matsunaga
Moakley
McHugh
Meeds
Mosher
Murphy, John
Rangel
Riegle
Sarasin
Shriver
St. Germain
Traxler
Vanik
Waxman

5. Against - 52

Abzug
Addabbo
Ambro
Annunzio
Badillo
Biaggi
Blanchard
Brodhead
Burke
Burton, John
Brademas
Bingham
Brooks
Boggs
Bolling
Conte
Cotter
Coughlin
Eilberg
Fary
Fithian
Green
Harris
Heinz
Holtzman
Hughes
Jordan
Koch
Lehman
Long
McKinney
Mezvinsky
Mikva
Mink
Mitchell, P.
McFall
Oberstar
O'Neill
Pattison
Rodino
Rosenthal
Scheuer
Seiberling
Solarz
Spellman
Stark
Tsongas
Udall
Wolff

Yates
Young, A.
Moorhead

6. Deceased - 2

Barrett
Patman

Leppert - PJZ
2866 R

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: BRENT SCOWCROFT
SUBJECT: Revised Security Assistance Legislation

Both the House International Relations Committee and the Senate Foreign Relations Committee have reported revised security assistance authorization bills accommodating both FY 76 and FY 77. Floor votes could come as early as Wednesday May 19 with a conference following soon thereafter. In each case, the committees have attempted to be responsive to the objections you raised in vetoing S. 2662. For example, most of the concurrent resolution provisions have been dropped and the section regarding trade with Vietnam has been deleted. In most instances where one committee retained an objectionable provision, the other committee dropped it, thereby leaving sufficient differences between the House and Senate versions to permit further deletions or modifications in conference committee. In preparation for the conference, we urgently need your guidance on what position the Administration should take on specific provisions of this revised legislation, and on the strategy we should follow to achieve a final bill acceptable to you.

We have reached tentative agreement with the leaders in both houses to oppose all floor amendments and concentrate on reaching accommodation in conference. (The sole exception will be our support for a likely Congressionally initiated amendment in the House to restore a 50 percent cut in Korean assistance levels.) We believe we will be in a strong position in conference: both houses are weary of the debate and anxious to provide money to ease the Israeli cash flow problem; enthusiasm for restrictive amendments is waning. Nevertheless, some accommodation on your part may yet be necessary to ensure passage of a thoroughly acceptable bill.

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

~~CONFIDENTIAL~~ - GDS

WHM 11/21/00



In this regard, the key element remains the issue of Transition Quarter funding for Israel. There is some evidence that Congress expects you to be forthcoming on the TQ in reaction to what the Hill feels are significant Congressional concessions to your position on authorizing legislation. Meanwhile, the Israelis have signaled to us that they need only \$281 million by the end of the TQ to avoid the risk of default on commercial purchases (versus the \$550 million for Israel at issue in the appropriations bill). This figure is almost exactly the amount which can be provided without exceeding the budget authority figures in your original budget request.

In reviewing my memo of May 11, you agreed, in principle, to offer some accommodation on the TQ (including restoration of supporting assistance cuts for Egypt, Jordan and Syria) in exchange for an acceptable authorization bill. I do not believe, however, that such a compromise should be signalled in connection with the floor fight on the legislation. To be most effective, it should either be withheld until the bill goes to conference where it can be used, if necessary, to obtain concessions on the remaining objectionable provisions in the bill or be withheld entirely, signaling that any compromise will be offered only after the conference has reported on an acceptable bill.

There follows a list of the troublesome provisions which remain in one or the other of the committee bills. With regard to each major provision we have included a recommended course of action: we will use your guidance as the basis for our negotiations with the conferees.

1. Human Rights. The House bill retains a concurrent resolution terminating aid for human rights abuses. The Senate substitutes a joint resolution, and changes the prohibition against aid to a statement of policy (which removes the potential argument that assistance is "illegal"). Since a joint resolution is subject to veto, this procedure is not constitutionally objectionable, but it continues to impinge on the foreign policy process by raising the constant specter of Congressional intervention.

RECOMMENDATION: Fight for elimination of termination provisions in favor of a policy statement; accept the Senate version (joint resolution); if necessary, use veto threat against the House version (concurrent resolution). OMB, State and AID concur.

Agree _____

Disagree _____

2. \$9.0 Billion Ceiling: The House retained unchanged the \$9.0 billion ceiling on arms sales which was one major reason for your



previous veto. The Senate bill drops the ceiling. There is talk in the House of a compromise retaining the ceiling principle but requiring you only to report every sale over \$9.0 billion. We think compromise should be avoided and that we should mobilize in support of the Senate on this issue.

RECOMMENDATION: No compromise on the House version, support the Senate deletion of any ceiling provision. State, DOD, AID and OMB concur.

Agree _____

Disagree _____

3. Nuclear Transfers: A Symington amendment added to the legislation by the Senate would prohibit assistance (except for P.L. 480 and disaster relief) to countries which either receive or deliver nuclear fuel reprocessing or enrichment technology or materials -- unless managed by multilaterally controls "when available" and under IAEA auspices. As written the provision is broad brush and could affect several programs (notably those with Brazil and Pakistan), hindering our diplomatic efforts to solve the proliferation problem. Moreover, the amendment could be read to imply that any country which meets the two conditions of subscription to IAEA safeguards and "multilateral controls" is an acceptable to us as a recipient of reprocessing facilities. The House has no similar provision. We think the best available compromise is a Congressional study of this proposal.

RECOMMENDATION: That we press for deletion of the Symington amendment with a Congressional study of the proposal as a fallback position. OMB, State and AID concur.

Agree _____

Disagree _____

4. Discrimination. The Senate has deleted the conference provision requiring automatic termination of a transaction involving persistent discrimination against Americans. It has substituted a requirement for a Presidential report, and a specific assertion of authority to terminate assistance in cases where discrimination persists. Under the new formula a transaction would be terminated automatically only if the President failed to submit a report requested by Congress within 60 days. If Congress was not satisfied, it could then pass a Joint Resolution terminating assistance. This process is not constitutionally objectionable, but it remains an institutionalized procedure for public examination of the conduct of foreign governments. Senator Case, believing that these changes represent significant concessions, will be obdurate on this issue. The House bill retains a statement of policy but has dropped the termination sanctions entirely.



RECOMMENDATION: The Senate can, with existing authority, already do all that this provision allows. Nevertheless, the Senate version increases the chances for both unwanted publicity and direct Congressional intervention in these sensitive areas. We recommend strong opposition to the Senate version, but no veto threat. OMB, State and AID concur.

Agree _____

Disagree _____

5. Korea Funding Level: The House committee accepted a Fraser amendment limiting military assistance to Korea to a total of \$290 million in the period FY 1976-TQ 1977 (vs. your combined request for \$490 million) and economic assistance to \$175.0 million in the same period (vs. your request for \$281.0 million). Cuts of this magnitude would have a serious effect on all of our Korean programs and, in particular, impede progress of the Korean force modernization plan. More importantly, such cuts would damage our close relationship with an important ally.

RECOMMENDATION: Make a major effort to raise the Korea FMS and economic assistance levels to acceptable levels, including a veto threat, if necessary. OMB, State, DOD and AID concur.

Agree _____

Disagree _____

6. Concurrent Resolutions. If we are successful in deleting the House concurrent resolution terminating assistance on human rights grounds, the single remaining concurrent resolution authority in both bills will be an expansion of the Nelson-Bingham amendment, signed into law in 1974, whereby Congress can forbid FMS sales over \$25 million. In the new Senate bill, this authority is extended to all FMS and commercial sales of "major defense equipment" over \$7.0 million; the House bill is similar, but applies only to FMS sales. Although the concurrent resolution authority is onerous, we believe Congress would resist strongly any attempt to delete or modify this provision post hoc (during mark-up we could find no one, even among staunch supporters, to sponsor such a move).

RECOMMENDATION: Accept continuation of Congressional review procedures which provide for concurrent resolution authority to forbid individual weapon sales; attempt to retain existing language covering only FMS sales over \$25 million; accept, as a maximum, House provision for only FMS sales over \$7 million. (If you must sign a bill containing any concurrent resolution, we would recommend a strong dissent in the signing statement.) Phil Buchen, OMB, State and AID concur.

Agree _____

Disagree _____



7. Assistance to Chile. A Kennedy amendment to the Senate bill imposes a total embargo on military assistance or sales to Chile after October 1, 1976. Pipeline sales which have been held up could go forward but even spare parts sales after October 1 would be banned. The House has retained the Buchanan amendment cutting off assistance but permitting cash sales of military equipment. We prefer the House version, but we do not believe the Senate version in itself would be grounds for veto of an otherwise acceptable bill.

RECOMMENDATION: Support for the House version. OMB, State and AID concur.

Agree _____

Disagree _____

8. MAP and MAAG Termination: Both bills retain provisions terminating MAP and MAAGS after FY 1977, except as specifically authorized by Congress. We feel there is sufficient legislative history on this subject to support a presumption that both MAP and MAAGs will be authorized, and that the new provision will amount to no more than a country line-item authorization for both. Although we would prefer to see this otherwise, Congress appears adamant on retaining the MAP and MAAG provisions and our acceptance would be seen as a useful concession.

RECOMMENDATION: Accept the MAP and MAAG provisions, but emphasize our expectation that authorization for both will be forthcoming after FY 77. OMB, State, and DOD concur.

Agree _____

Disagree _____

9. Greece-Turkey. The House has retained the partial embargo on grant assistance and FMS sales to Turkey, while providing "such sums as may be necessary" for Greece once a base agreement is approved by law. The putative intent of this is, we believe, to make eventual assistance to Turkey as part of a base agreement subject to the section 620(x) embargo of MAP and of FMS sales over \$125 million.

RECOMMENDATION: We believe that the House version attempts to prejudice the issues of Greece and Turkey for FY 1977, and that we should support strongly the Senate approach of deferring action on both until Congress considers the base agreement. OMB and State concur.

Agree _____

Disagree _____

In addition to the foregoing, there are other undesirable features of the new legislation which we will be working to correct in conference. Included are:



- A Senate cut of FY 77 MAP for Jordan from \$70 million to \$40 million.
- A Senate cut in the FY 77 authorization for Stockpiles of Defense Articles for Foreign Countries from \$125 million to \$50 million.
- A Senate cut in the overall FY 77 FMS authorization of about 10 percent and in overall MAP program of approximately 30 percent.

The new bills also have several improvements over S. 2662:

- deletion by both House and Senate of three of the concurrent resolution provisions: (1) regarding the determination that a country is ineligible for further assistance due to misuse of U.S. supplied arms; (2) regarding third country transfers; and (3) regarding the termination of assistance to countries harboring terrorists.
- deletion of the requirement that ACDA draft the annual arms impact statement;
- modification in the Senate bill of the process whereby a country becomes ineligible for further US assistance due to misuse or illegal transfer of U.S. supplied arms. Under existing law termination is automatic, whereas in the revised bill termination must result from Presidential action or passage of a joint resolution. The Senate also added a Presidential waiver provision.

STRATEGY

Chairman Morgan is anxious to reach some accommodation with you quickly. He believes it is possible to complete final congressional action on an acceptable bill by the end of next week (May 21), but that you should meet personally with the conferees to ensure this outcome. It is very likely, however, that the conferees would take the opportunity of any meeting with you to raise the TQ funding issue, seeking specifically whether a compromise is possible.

How we implement your decision on the TQ issue is therefore fundamental to our tactics on the authorization bill. If you decide to offer a TQ compromise in advance of conference action as an explicit means to obtain further concessions, a meeting with conferees would be extremely useful, providing you the opportunity to lay out precisely the price you want to exact for a compromise on the TQ in terms of an acceptable



authorization bill. Any discussion of such a compromise would, of course, have to include Chairman Passman, who has strongly supported your position in the House.

The advantage of this approach is that some political benefit can be derived from an early compromise on the TQ, -- both in terms of an acceptable authorization bill and in lessening the acrimony which followed in the wake of your veto. On the other hand, any compromise on the TQ places you in a position of reversing yourself on a publicly held position and appearing blatantly manipulative of congressional support for Israel.

On the other hand, you may feel that your bargaining position in this instance is sufficiently strong that you will not have to compromise in order to achieve a successful conference report. Under these circumstances, a meeting with conferees would probably be counterproductive as you would be in the position of demanding concessions while offering little in return. Instead, you could authorize us to let it be known quietly that if the conference reports an acceptable bill, you will be prepared to drop your objections to TQ funding that does not exceed your requested outlay levels when the appropriations bill is taken up in the House. This approach has the advantage of maintaining the integrity of your veto position on the unacceptable provisions of S. 2662 while avoiding another confrontation with Congress on an issue directly involving Israel. Such a course would, however, reduce your leverage on eliminating entirely all objectionable aspects of the new legislation in the conference process.

On balance, I believe that you should not meet with the conferees to discuss a compromise in advance of the conference, but I do recommend that you talk by telephone with Morgan (and Broomfield), Humphrey (and Case) to discuss with them your remaining reservations and a strategy for achieving a bill you can sign from the conference. A willingness to discuss a TQ compromise after you have an acceptable authorization could be signalled in that call.

RECOMMENDATION

1. That you not offer a TQ compromise in advance of the conference. Max Friedersdorf and OMB concur, as does Jack Marsh.

Approve _____

Disapprove _____



2. That you not meet with the conferees but do call Morgan and Humphrey. OMB and Max Friedersdorf concur; Max Friedersdorf also urges a prior call to the ranking minority members. (Talking points at Tab A) Jack Marsh concurs with Max Friedersdorf.

Approve _____

Disapprove _____



MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

May 19, 1976

MEMORANDUM FOR: AMBASSADOR McCLOSKEY
WILLIAM BREHM
DENIS NEILL

FROM: LES JANKA *19*

SUBJECT: Presidential Guidance on FY 76-77
Security Assistance Legislation

The President has reviewed the May 17, 1976 NSC options paper and has directed adoption of the following strategy: we are to work for passage of both the House and Senate bills, opposing all floor amendments (a Korean restoration is an exception) and concentrating on achieving acceptable legislation in the conference committee process.

When the conference committee meets, the Administration is to clearly communicate the following positions with respect to the objectionable provisions remaining in the House and Senate bills:

1. Human Rights

Fight for elimination of all termination provisions. Delete provision for a statutory office. Use veto threat against the House version (concurrent resolution). Accept the Senate version (joint resolution) if necessary.

2. \$9.0 Billion Arms Sales Ceiling

No compromise. Support Senate version deleting any ceiling provision.

3. Symington Amendment on Nuclear Transfers

Delete Symington Amendment.

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12958 Sec. 3.6

MR 94-20, #32; NSL WLU 7/25/96

By LLT NARA, Date 3/6/97



4. Discriminatory Practices

Strongly oppose Senate version; we can accept House version.

5. Korea Funding Levels

If Fraser Amendment is not deleted on the floor or in the conference, and funding not restored to acceptable levels, the President will veto the bill.

6. Concurrent Resolutions - Review of Military Sales

Strongly oppose any expansion of existing Congressional review procedures. Accept, if necessary, House provision which extends to FMS sales over \$7 million only.

7. Military Assistance to Chile

Strongly oppose both House and Senate versions. Accept House version, if necessary.

8. MAP-MAAG Termination

Reiterate Administration opposition to House-Senate provisions; insist on Conference Report language supporting presumption of future authorization.

9. Greece-Turkey Assistance

Strongly oppose House provisions; support Senate approach.

In addition to the above major provisions, the Administration should also insist on restoration of the Senate cut for Jordan MAP; a restoration of the Senate cut in Defense stockpiles; restoration of the deep Senate cuts in MAP; and removal of the economic assistance ceiling on Chile contained in the House bill.

With regard to the issue of TQ funding for the Middle East, the President has directed that, until an acceptable authorization bill is passed, no change be indicated in his position regarding additional TQ funding as outlined in his letter of April 6 to the Speaker. Administration officials should indicate only that if and when an acceptable authorization bill is presented to him, the President will review the situation regarding the TQ funding issue in the Appropriation Bill.



THE WHITE HOUSE
WASHINGTON

2866 R

MAX - Fy I

Ls

~~CONFIDENTIAL~~ACTION

[May 17, 1976]

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT: Revised Security Assistance Legislation

Both the House International Relations Committee and the Senate Foreign Relations Committee have reported revised security assistance authorization bills accommodating both FY 76 and FY 77. Floor votes could come as early as Wednesday May 19 with a conference following soon thereafter. In each case, the committees have attempted to be responsive to the objections you raised in vetoing S. 2662. For example, most of the concurrent resolution provisions have been dropped and the section regarding trade with Vietnam has been deleted. In most instances where one committee retained an objectionable provision, the other committee dropped it, thereby leaving sufficient differences between the House and Senate versions to permit further deletions or modifications in conference committee. In preparation for the conference, we urgently need your guidance on what position the Administration should take on specific provisions of this revised legislation, and on the strategy we should follow to achieve a final bill acceptable to you.

We have reached tentative agreement with the leaders in both houses to oppose all floor amendments and concentrate on reaching accommodation in conference. (The sole exception will be our support for a likely Congressionally initiated amendment in the House to restore a 50 percent cut in Korean assistance levels.) We believe we will be in a strong position in conference: both houses are weary of the debate and anxious to provide money to ease the Israeli cash flow problem; enthusiasm for restrictive amendments is waning. Nevertheless, some accommodation on your part may yet be necessary to ensure passage of a thoroughly acceptable bill.

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

~~CONFIDENTIAL~~ - GDS

KBH 10/12/88



In this regard, the key element remains the issue of Transition Quarter funding for Israel. There is some evidence that Congress expects you to be forthcoming on the TQ in reaction to what the Hill feels are significant Congressional concessions to your position on authorizing legislation. Meanwhile, the Israelis have signaled to us that they need only \$281 million by the end of the TQ to avoid the risk of default on commercial purchases (versus the \$550 million for Israel at issue in the appropriations bill). This figure is almost exactly the amount which can be provided without exceeding the budget authority figures in your original budget request.

In reviewing my memo of May 11, you agreed, in principle, to offer some accommodation on the TQ (including restoration of supporting assistance cuts for Egypt, Jordan and Syria) in exchange for an acceptable authorization bill. I do not believe, however, that such a compromise should be signalled in connection with the floor fight on the legislation. To be most effective, it should either be withheld until the bill goes to conference where it can be used, if necessary, to obtain concessions on the remaining objectionable provisions in the bill or be withheld entirely, signaling that any compromise will be offered only after the conference has reported on an acceptable bill.

There follows a list of the troublesome provisions which remain in one or the other of the committee bills. With regard to each major provision we have included a recommended course of action: we will use your guidance as the basis for our negotiations with the conferees.

1. Human Rights. The House bill retains a concurrent resolution terminating aid for human rights abuses. The Senate substitutes a joint resolution, and changes the prohibition against aid to a statement of policy (which removes the potential argument that assistance is "illegal"). Since a joint resolution is subject to veto, this procedure is not constitutionally objectionable, but it continues to impinge on the foreign policy process by raising the constant specter of Congressional intervention.

RECOMMENDATION: Fight for elimination of termination provisions in favor of a policy statement; accept the Senate version (joint resolution); if necessary, use veto threat against the House version (concurrent resolution). OMB, State and AID concur.

Agree _____

Disagree _____

2. \$9.0 Billion Ceiling: The House retained unchanged the \$9.0 billion ceiling on arms sales which was one major reason for your



previous veto. The Senate bill drops the ceiling. There is talk in the House of a compromise retaining the ceiling principle but requiring you only to report every sale over \$9.0 billion. We think compromise should be avoided and that we should mobilize in support of the Senate on this issue.

RECOMMENDATION: No compromise on the House version, support the Senate deletion of any ceiling provision. State, DOD, AID and OMB concur.

Agree _____

Disagree _____

3. Nuclear Transfers: A Symington amendment added to the legislation by the Senate would prohibit assistance (except for P.L. 480 and disaster relief) to countries which either receive or deliver nuclear fuel reprocessing or enrichment technology or materials -- unless managed by multilaterally controls "when available" and under IAEA auspices. As written the provision is broad brush and could affect several programs (notably those with Brazil and Pakistan), hindering our diplomatic efforts to solve the proliferation problem. Moreover, the amendment could be read to imply that any country which meets the two conditions of subscription to IAEA safeguards and "multilateral controls" is an acceptable to us as a recipient of reprocessing facilities. The House has no similar provision. We think the best available compromise is a Congressional study of this proposal.

Senate

RECOMMENDATION: That we press for deletion of the Symington amendment with a Congressional study of the proposal as a fallback position. OMB, State and AID concur.

Agree _____

Disagree _____

4. Discrimination. The Senate has deleted the conference provision requiring automatic termination of a transaction involving persistent discrimination against Americans. It has substituted a requirement for a Presidential report, and a specific assertion of authority to terminate assistance in cases where discrimination persists. Under the new formula a transaction would be terminated automatically only if the President failed to submit a report requested by Congress within 60 days. If Congress was not satisfied, it could then pass a Joint Resolution terminating assistance. This process is not constitutionally objectionable, but it remains an institutionalized procedure for public examination of the conduct of foreign governments. Senator Case, believing that these changes represent significant concessions, will be obdurate on this issue. The House bill retains a statement of policy but has dropped the termination sanctions entirely.

Senate

OK



RECOMMENDATION: The Senate can, with existing authority, already do all that this provision allows. Nevertheless, the Senate version increases the chances for both unwanted publicity and direct Congressional intervention in these sensitive areas. We recommend strong opposition to the Senate version, but no veto threat. OMB, State and AID concur.

Agree _____

Disagree _____

5. Korea Funding Level: The House committee accepted a Fraser amendment limiting military assistance to Korea to a total of \$290 million in the period FY 1976-TQ 1977 (vs. your combined request for \$490 million) and economic assistance to \$175.0 million in the same period (vs. your request for \$281.0 million). Cuts of this magnitude would have a serious effect on all of our Korean programs and, in particular, impede progress of the Korean force modernization plan. More importantly, such cuts would damage our close relationship with an important ally.

RECOMMENDATION: Make a major effort to raise the Korea FMS and economic assistance levels to acceptable levels, including a veto threat, if necessary. OMB, State, DOD and AID concur.

Agree _____

Disagree _____

6. Concurrent Resolutions. If we are successful in deleting the House concurrent resolution terminating assistance on human rights grounds, the single remaining concurrent resolution authority in both bills will be an expansion of the Nelson-Bingham amendment, signed into law in 1974, whereby Congress can forbid FMS sales over \$25 million. In the new Senate bill, this authority is extended to all FMS and commercial sales of "major defense equipment" over \$7.0 million; the House bill is similar, but applies only to FMS sales. Although the concurrent resolution authority is onerous, we believe Congress would resist strongly any attempt to delete or modify this provision post hoc (during mark-up we could find no one, even among staunch supporters, to sponsor such a move).

RECOMMENDATION: Accept continuation of Congressional review procedures which provide for concurrent resolution authority to forbid individual weapon sales; attempt to retain existing language covering only FMS sales over \$25 million; accept, as a maximum, House provision for only FMS sales over \$7 million. (If you must sign a bill containing any concurrent resolution, we would recommend a strong dissent in the signing statement.) Phil Buchen, OMB, State and AID concur.

Agree _____

Disagree _____



7. Assistance to Chile. A Kennedy amendment to the Senate bill imposes a total embargo on military assistance or sales to Chile after October 1, 1976. Pipeline sales which have been held up could go forward but even spare parts sales after October 1 would be banned. The House has retained the Buchanan amendment cutting off assistance but permitting cash sales of military equipment. We prefer the House version, but we do not believe the Senate version in itself would be grounds for veto of an otherwise acceptable bill.

RECOMMENDATION: Support for the House version. OMB, State and AID concur.

Agree _____

Disagree _____

8. MAP and MAAG Termination: Both bills retain provisions terminating MAP and MAAGS after FY 1977, except as specifically authorized by Congress. We feel there is sufficient legislative history on this subject to support a presumption that both MAP and MAAGs will be authorized, and that the new provision will amount to no more than a country line-item authorization for both. Although we would prefer to see this otherwise, Congress appears adamant on retaining the MAP and MAAG provisions and our acceptance would be seen as a useful concession.

RECOMMENDATION: Accept the MAP and MAAG provisions, but emphasize our expectation that authorization for both will be forthcoming after FY 77. OMB, State, and DOD concur.

Agree _____

Disagree _____

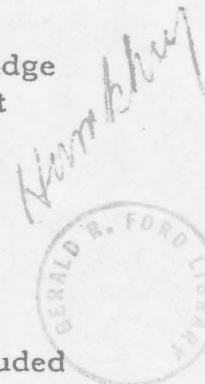
9. Greece-Turkey. The House has retained the partial embargo on grant assistance and FMS sales to Turkey, while providing "such sums as may be necessary" for Greece once a base agreement is approved by law. The putative intent of this is, we believe, to make eventual assistance to Turkey as part of a base agreement subject to the section 620(x) embargo of MAP and of FMS sales over \$125 million.

RECOMMENDATION: We believe that the House version attempts to prejudge the issues of Greece and Turkey for FY 1977, and that we should support strongly the Senate approach of deferring action on both until Congress considers the base agreement. OMB and State concur.

Agree _____

Disagree _____

In addition to the foregoing, there are other undesirable features of the new legislation which we will be working to correct in conference. Included are:



- A Senate cut of FY 77 MAP for Jordan from \$70 million to \$40 million.
- A Senate cut in the FY 77 authorization for Stockpiles of Defense Articles for Foreign Countries from \$125 million to \$50 million.
- A Senate cut in the overall FY 77 FMS authorization of about 10 percent and in overall MAP program of approximately 30 percent.

The new bills also have several improvements over S. 2662:

- deletion by both House and Senate of three of the concurrent resolution provisions: (1) regarding the determination that a country is ineligible for further assistance due to misuse of U.S. supplied arms; (2) regarding third country transfers; and (3) regarding the termination of assistance to countries harboring terrorists.
- deletion of the requirement that ACDA draft the annual arms impact statement;
- modification in the Senate bill of the process whereby a country becomes ineligible for further US assistance due to misuse or illegal transfer of U.S. supplied arms. Under existing law termination is automatic, whereas in the revised bill termination must result from Presidential action or passage of a joint resolution. The Senate also added a Presidential waiver provision.

STRATEGY

Chairman Morgan is anxious to reach some accommodation with you quickly. He believes it is possible to complete final congressional action on an acceptable bill by the end of next week (May 21), but that you should meet personally with the conferees to ensure this outcome. It is very likely, however, that the conferees would take the opportunity of any meeting with you to raise the TQ funding issue, seeking specifically whether a compromise is possible.

How we implement your decision on the TQ issue is therefore fundamental to our tactics on the authorization bill. If you decide to offer a TQ compromise in advance of conference action as an explicit means to obtain further concessions, a meeting with conferees would be extremely useful, providing you the opportunity to lay out precisely the price you want to exact for a compromise on the TQ in terms of an acceptable



authorization bill. Any discussion of such a compromise would, of course, have to include Chairman Passman, who has strongly supported your position in the House.

The advantage of this approach is that some political benefit can be derived from an early compromise on the TQ, -- both in terms of an acceptable authorization bill and in lessening the acrimony which followed in the wake of your veto. On the other hand, any compromise on the TQ places you in a position of reversing yourself on a publicly held position and appearing blatantly manipulative of congressional support for Israel.

On the other hand, you may feel that your bargaining position in this instance is sufficiently strong that you will not have to compromise in order to achieve a successful conference report. Under these circumstances, a meeting with conferees would probably be counterproductive as you would be in the position of demanding concessions while offering little in return. Instead, you could authorize us to let it be known quietly that if the conference reports an acceptable bill, you will be prepared to drop your objections to TQ funding that does not exceed your requested outlay levels when the appropriations bill is taken up in the House. This approach has the advantage of maintaining the integrity of your veto position on the unacceptable provisions of S. 2662 while avoiding another confrontation with Congress on an issue directly involving Israel. Such a course would, however, reduce your leverage on eliminating entirely all objectionable aspects of the new legislation in the conference process.

On balance, I believe that you should not meet with the conferees to discuss a compromise in advance of the conference, but I do recommend that you talk by telephone with Morgan (and Broomfield), Humphrey (and Case) to discuss with them your remaining reservations and a strategy for achieving a bill you can sign from the conference. A willingness to discuss a TQ compromise after you have an acceptable authorization could be signalled in that call.

RECOMMENDATION

1. That you not offer a TQ compromise in advance of the conference. Max Friedersdorf and OMB concur, as does Jack Marsh.

Approve _____

Disapprove _____



2. That you not meet with the conferees but do call Morgan and Humphrey. OMB and Max Friedersdorf concur; Max Friedersdorf also urges a prior call to the ranking minority members. (Talking points at Tab A) Jack Marsh concurs with Max Friedersdorf.

Approve _____

Disapprove _____



GERALD R. FORD LIBRARY

This form marks the file location of item number 3 as listed
on the pink form (GSA form 7122, Withdrawal Sheet) at the front of the folder.

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: May 21

Time: 1045am

FOR ACTION: NSC/S
Max Friedersdorf
Ken Lazarus
Robert Hartmann

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: May 21

Time: 500pm

SUBJECT:

Transition quarter supplemental for military assistance

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing



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.

James M. Cannon
For the President



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

May 21, 1976

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES T. LYNN
SUBJECT: Transition Quarter Supplemental
for Military Assistance

The attached supplemental provides for the difference between the grant military assistance about to be authorized by the Congress and the amount in the conference report of the appropriation bill.

This supplemental will increase transition quarter outlays by \$3 million and fiscal year 1977 outlays by \$13 million.

Recommendation

I recommend that you sign the letter transmitting the budget supplemental to the Congress.

Attachments



THE WHITE HOUSE

WASHINGTON

The Speaker of the
House of Representatives

Sir:

I ask the Congress to consider a proposed supplemental appropriation for the transition quarter in the amount of \$33,675,000 for military assistance.

The details of this proposal are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

X _____

Enclosure





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

The President

The White House

Sir:

I have the honor to submit for your consideration a proposed supplemental appropriation for the transition quarter in the amount of \$33,675,000 for military assistance, as follows:

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN ASSISTANCE

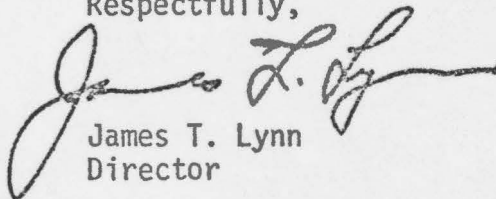
Military Assistance

For an additional amount for "military assistance" for the period July 1, 1976 through September 30, 1976, \$33,675,000.

The proposed supplemental appropriation would provide for military assistance to certain countries where programs would otherwise be reduced because of congressional action.

I have carefully reviewed the proposal for appropriations contained in this document and am satisfied that this request is necessary at this time. I recommend, therefore, that this proposal be transmitted to the Congress.

Respectfully,


James T. Lynn
Director

Enclosure



JULY 1, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have signed H.R. 12203, the Foreign Assistance and Related Programs Appropriation Act, 1976, and the period ending September 30, 1976. The bill appropriates funds for a variety of programs in support of U.S. foreign policy objectives, most importantly our pursuit of a peaceful solution to the problems of the Middle East.

Nevertheless, I have serious reservations regarding one element of the bill, and believe it is necessary to comment on why I have signed the bill notwithstanding my objections to it.

Title I of the bill contains a provision which conditions the availability of appropriated funds, in certain instances, upon the acquiescence of the Appropriations Committees of each House of Congress. This requirement violates the fundamental constitutional doctrine of separation of powers. While similar provisions have been included in congressional enactments, and have been found objectionable on these grounds, this particular requirement is especially onerous in that it intrudes upon the execution of programs in nineteen different appropriation categories.

Since I view this provision as severable from what is an otherwise valid exercise of legislative authority, and because it is presented for my signature in the last week of the fiscal year, I am not withholding my approval. We shall continue to work with the Appropriations Committees, as with all Committees of the Congress, in a spirit of cooperation. We shall continue to keep the Congress fully informed on a current basis on the execution of the laws. However, we shall not concur in a delegation of the powers of appropriation to two Committees of Congress.

#

THE WHITE HOUSE

WASHINGTON

September 14, 1976

File

Dear Mr. Chairman:

I would like to commend you and your colleagues on the Appropriations Committee for the concerted efforts you displayed in assuring successful passage of the FY 77 foreign assistance appropriations bill. The economic development and security assistance programs funded in this bill provide essential support of U.S. foreign policy objectives, particularly our ongoing pursuit of peace in the Middle East. As the legislation now moves to conference committee, I hope I can count on your continued leadership and support. For this reason, I wish to share with you my views on three areas of critical importance which you will be considering as conferees.

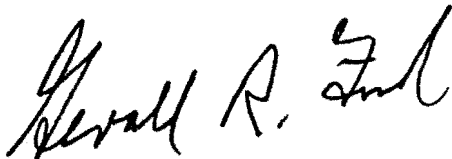
First, I reiterate the concerns I expressed in signing the FY 76 foreign assistance appropriations bill in respect to a provision which conditions the availability of funds, in certain instances, upon the acquiescence of the Appropriations Committees of each House of Congress. The Senate version of the bill now before you contains an identical restriction. In my view, such a requirement violates the fundamental constitutional doctrine of separation of powers, and significantly impinges upon the effective execution of our aid programs by the Executive Branch. I urge you to delete this provision in conference.

Secondly, I ask your support for the full amounts requested for the international development banks. These multilateral financial institutions play an essential and highly effective role in promoting economic development in the poorer countries and deserve continued strong American support. Of these, the needs of the International Development Association, whose resources are critical to the poorest peoples of the world, are the most compelling. I urge you to maintain the position taken by the Senate and provide the full \$375 million requested for, and vitally needed by, this institution which is at the center of the international development process. The credibility of our expressed desire to assist developing nations and our ability to continue to play a leadership role

in pursuing constructive solutions to the problems of development and to issues between developed and developing nations depend upon full funding. Failure to provide such funds would be a sharp setback to our overall strategy to assist the poorer countries, and to our foreign policy in the developing world.

Finally, I want to express my strong support for the action taken by the Senate to provide funds for countries in southern Africa. While relatively modest in amount, this gesture will demonstrate to these nations, Zambia, Zaire and Botswana, the willingness of the United States to respond positively to the legitimate needs of those who have exhibited responsibility and moderation in their policies. Your support of the Senate's position will signal to the countries of southern Africa that the United States is a credible friend and will contribute positively to our efforts to assist them in seeking a peaceful resolution of the problems now confronting that strategic region of the world.

Sincerely,

A handwritten signature in cursive script, reading "Gerald R. Ford". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable Otto E. Passman
Chairman
Subcommittee on Foreign Operations
Committee on Appropriations
House of Representatives
Washington, D.C. 20515

FILE

THE WHITE HOUSE

WASHINGTON

September 14, 1976

Dear Garner:

I would like to commend you and your colleagues on the Appropriations Committee for the concerted efforts you displayed in assuring successful passage of the FY 77 foreign assistance appropriations bill. The economic development and security assistance programs funded in this bill provide essential support of U.S. foreign policy objectives, particularly our ongoing pursuit of peace in the Middle East. As the legislation now moves to conference committee, I hope I can count on your continued leadership and support. For this reason, I wish to share with you my views on three areas of critical importance which you will be considering as conferees.

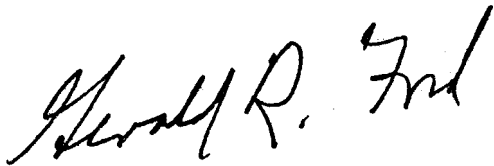
First, I reiterate the concerns I expressed in signing the FY 76 foreign assistance appropriations bill in respect to a provision which conditions the availability of funds, in certain instances, upon the acquiescence of the Appropriations Committees of each House of Congress. The Senate version of the bill now before you contains an identical restriction. In my view, such a requirement violates the fundamental constitutional doctrine of separation of powers, and significantly impinges upon the effective execution of our aid programs by the Executive Branch. I urge you to delete this provision in conference.

Secondly, I ask your support for the full amounts requested for the international development banks. These multilateral financial institutions play an essential and highly effective role in promoting economic development in the poorer countries and deserve continued strong American support. Of these, the needs of the International Development Association, whose resources are critical to the poorest peoples of the world, are the most compelling. I urge you to maintain the position taken by the Senate and provide the full \$375 million requested for, and vitally needed by, this institution which is at the center of the international development process. The credibility of our expressed desire to assist developing nations and our ability to continue to play a leadership role

in pursuing constructive solutions to the problems of development and to issues between developed and developing nations depend upon full funding. Failure to provide such funds would be a sharp setback to our overall strategy to assist the poorer countries, and to our foreign policy in the developing world.

Finally, I want to express my strong support for the action taken by the Senate to provide funds for countries in southern Africa. While relatively modest in amount, this gesture will demonstrate to these nations, Zambia, Zaire and Botswana, the willingness of the United States to respond positively to the legitimate needs of those who have exhibited responsibility and moderation in their policies. Your support of the Senate's position will signal to the countries of southern Africa that the United States is a credible friend and will contribute positively to our efforts to assist them in seeking a peaceful resolution of the problems now confronting that strategic region of the world.

Sincerely,

A handwritten signature in cursive script that reads "Gerald R. Ford". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable Garner E. Shriver
House of Representatives
Washington, D.C. 20515