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CONSULTATION ON PL-480 TITLE IV SALE OF WHEAT
AND VEGETABLE OIL TO YUGOSLAVIA

A. HOUSE

1. Majority Leader Albert--Since Majority Leader Albert was unavailable (he is recuperating in Jamaica), we spoke with his AA, Charles Ward on December 8. Ward remembered very clearly the issues at stake when the matter was considered by the House last October and particularly the importance we attach to the PL-480 program with Yugoslavia. He thought our agreement with Yugoslavia for wheat and vegetable oil would raise no problems in the mind of Mr. Albert. NPC
2. Minority Leader Ford--During a telephone call on December 8, Minority Leader Ford indicated privately that he is very sympathetic to the Yugoslavs, but doesn't want to advertise it. He will not make any fuss about the deal. Further contacts were made with Mr. Ford on December 12, 14 and 15 as a result of which he said that while he would find it difficult to publicly oppose Mr. Findley on the wheat transaction, he agreed that we must abide by our commitment on vegetable oils and would support it in discussion with his Republican colleagues. ✓
3. Chairman Morgan of the House Foreign Affairs Committee was in Bethesda Hospital, suffering from a bad cold, but Boyd Crawford (Staff Administrator of the Committee) was fully briefed on December 8. He said he would inform the Chairman and does not anticipate that there will be any problem. This was later confirmed. ✓

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4. Congressman

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4. Congressman Poage (Presumptive Chairman of the House Agricultural Committee) was reached on the telephone at Waco, Texas, on December 9. He said that he personally could see nothing wrong with the proposal as outlined. He thought there might be some questions raised by Republican Members, and was glad to hear we were consulting them. ✓
5. Congresswoman Frances Bolton (ranking Republican Member of the Foreign Affairs Committee) was out of town and not available, but word was left that we had wished to get in touch with her to brief her on this matter on December 8. It was considered unnecessary to pursue the matter further. NO CONTACT MADE
6. Congressman Belcher was reached by telephone in Enid, Oklahoma, on December 9.. After a full explanation, he said he was willing to trust to the judgment of the State Department in the matter. ✓
7. Congressman Quie was reached by telephone in Minnesota on December 9. He said our position seemed sound to him, particularly if we had a firm legal position to offer in justification. On December 15 he was reached again on his arrival in Washington to correct the statement that Mr. Findley had no objection and to seek comment on the idea of shipping only the vegetable oil. Mr. Quie repeated that he could live with the transaction and would raise no objection. ✓
8. Congressman John Tunney was fully briefed on the proposed PL-480 deal for Yugoslavia during a call at the Department on December 8, and expressed approval of what we proposed to do. ✓

9. Chairman Mahon

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9. Chairman Mahon--Mr. Mahon, reached on the telephone on December 9, expressed the opinion that a new wheat agreement with Yugoslavia "would cause some trouble because of the feeling on the Hill against any economic assistance to Communist countries." He apparently considers it significant that the terms require dollar repayment if "we ever will really be repaid," but not sufficiently to change his basic reaction. "In the light of the very many things he had to do in Texas," he did not want to "be involved in the decision-making process," but he of course would not do anything or say anything against the arrangement.
10. Congressman Passman)Chairman House Subcommittee on Foreign Operations Appropriations) was reached by phone on December 9 at his office in Louisiana. He indicated that the signing of this agreement with the Yugoslavs would give him no trouble, said he understood we were "getting in under the wire," that there was nothing else we could do, that it was too bad the President's freedom of action wasn't protected in the Food-forPeace legislation as he, Passman, and Mahon had protected the President's authority in the effort to limit the actions of the Export-Import Bank vis-a-vis the Communist countries. Passman added that he thought we should be trading with all nations, including the divided areas (East Germany, North Korea), as we will not be able to influence them if we have no contact with them. He said that though he may cut the President's appropriations, he will always fight for giving the President maximum flexibility to use the money appropriated as he, the President, sees fit.

11. Congressman

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11. Congressman Michel was reached in Peoria on December 8, and the background and the nature of the problem explained. The Congressman asked a couple of questions and the answers seemed to satisfy him generally. He said that he saw no serious objection on the spur of the moment, but hesitated to give blanket endorsement without reflection. It was left that if he found any serious objections, he would call back. He did not.
12. Congressman Findley, who is the author of the Findley Amendment which restricts sales to countries selling or shipping commodities to North Vietnam or Cuba, indicated during an extended meeting on December 8 that insofar as he was concerned, the intent of the Congress in selecting the January 1 deadline for the new restrictions to apply had been to avoid embarrassing the Administration in any commitments it might have virtually completed at the time the legislation was passed. He also did not challenge the Department of Justice's advisory opinion that the sending of supplies to North Vietnam by the Yugoslav Red Cross did not fall within the restrictive provisions of the Findley amendment. He indicated he would not raise difficulties on this deal, particularly since the negotiations had been well underway substantially before his amendment had been passed by the Congress. Late on December 9 the Department received a telegram from Findley asking that the transaction be held up until he presented further legal views. At a luncheon meeting with Under Secretary Katzenbach he presented a letter and legal statement in flat opposition to the transaction which he had already released to the press. He refused to be moved by extensive argumentation on the subject.

13. Congressman Mailliard

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13. Congressman Mailliard--Congressman Mailliard was reached by telephone December 12. After being informed of the facts concerning the new wheat agreement and the shipment of vegetable oils outstanding under the existing agreement, he commented that he wasn't aware of exactly how he voted on the last consideration of the new PL-480 legislation, but that he was generally opposed to restrictive provisions. As regards the specific developments concerning Yugoslavia, Mailliard said: "I can't get very excited about it." ✓
14. Congressman Adair--Mr. Adair returned from Europe over the weekend and the problem was discussed with him, in the light of Mr. Findley's objections, on December 13, 14 and 15. He stressed the difficulty of allowing the wheat transaction to become a public confrontation between the Department and Mr. Findley because a number of privately sympathetic Republicans would be subject to pressures on the Vietnam issue and the matter of Republican unity and would come out publicly in opposition. He thought that fulfilling our commitment on the vegetable oils was a different matter and he would be glad personally to be helpful with his Republican colleagues on the matter. ✓

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B. SENATE

1. Senator Mansfield said he approved of our proposed PL-480 deal with Yugoslavia and was very glad that we had talked to Senator Dirksen, Congressman Findley and other interested members of Congress.
2. Senator Dirksen--I explained the matter to him on the telephone in Florida on December 8. He made no particular comment and raised no objections. In a later conversation he indicated this was primarily a House problem and he would not intervene.
3. Senator Sparkman (Ranking Democratic Member of the Senate Foreign Relations Committee in Senator Fulbright's absence abroad) was visited on December 8. He approved the proposed Title IV PL-480 deal with Yugoslavia and does not believe it will create any serious problem for us on the Hill.
4. Senator Hickenlooper, while not being complimentary to Tito, raised no objection, during discussion on December 8, and from what he said we do not believe that he will raise any public objection to the deal.
5. Senator Holland is in Florida, and we have not yet been able to reach him.
6. Senator Ellender is out of the country and not expected back until January.
7. Senator Aiken was reached at his office in Washington on December 9. He cut in, even before the explanations were finished, and said that we

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did not have to spell it out with him, because he thought our Eastern European policy was the one thing we were doing just right. He said he fully endorsed any actions we took to give the Eastern European countries greater encouragement to independent action from the Soviet Union. He said he knew at least one Republican Senator, whom he did not wish to embarrass by naming, who had opposed East-West bridge-building, but was prepared to switch this year, and he hoped there would be others, so that prospects for East-West trade legislation in the Senate would be good. He was not so sanguine about the House.

8. Senator Cooper was expected back in a day or two. Bailey Guard, his AA, who is very familiar with the Senator's views, thought on December 9 the Senator would consider the negotiation of the wheat agreement with Yugoslavia the Department's business and perhaps useful.
9. Senator Carlson was fully briefed and had no objection.
10. Art Kuhl (Acting Chief of Staff of the Senate Foreign Relations Committee) expressed appreciation for being informed on December 8, and did not believe that this would cause any serious problem with Members of the Committee, particularly since both Senators Sparkman and Hickenlooper voiced no objection. He asked when the public announcement of the PL-480 deal with Yugoslavia might be made and was informed it might well be made within the next week, following the completion of Congressional consultation and in light thereof.

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