

That's excellent.

LBJ:mary s

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MEMORANDUM

LL
THE WHITE HOUSE
WASHINGTON

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September 11, 1967
8:30 p.m.

MEMORANDUM FOR THE PRESIDENT

FROM: JIM JONES

SUBJECT: Meeting on Asian Bank Legislation in the President's Office, Monday, September 11, 1967.

Meeting convened: 7:10 P.M.
Meeting adjourned: 7:20 P.M.

Attending the meeting were:

Under Secretary Nicholas Katzenbach
AID Administrator Bill Gaud
Under Secretary of Treasury Joe Barr
Eugene Black
Ambassador Zagorian
Walt Rostow
Joe Califano
Ed Hamilton

Secretary Katzenbach opened the meeting by saying it is expected by most Members of Congress that we send up the Asian Bank legislation. "It will be difficult to explain why we did not send it up to other Asian countries," Katzenbach said. Katzenbach pointed out that Japan has already committed 100 million dollars and Canada has committed 25 million dollars. Katzenbach said that we don't necessarily expect you to get the authorization for the full 200 million, but Katzenbach said he could not see the arguments against sending up the legislation. By sending it up, Katzenbach pointed out, "you have met your obligation." Katzenbach opined that basically this is popular with Congress but he emphasized that it is important that the President do what he said he would do. Katzenbach further cautioned that we should not move this legislation out of Committee or onto the Floor until we know we've got the vote. As far as the budget is concerned, Katzenbach said nothing should be obligated before FY 69.

The President asked who else is going in on this and what would be the U.S. participation.

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Eugene Black said that our participation would not exceed 200 million dollars or 50% of the 400 million.

Joe Barr said that since Japan has come in with their 100 million dollars most of his objections have been removed. He agrees with Katzenbach that we probably would not get the 200 million dollars. He suggests that we might go forward with matching of the Japanese proposal of 100 million dollars because Barr believes that is where we will end up. Barr said we usually get what we send up on these matters. He pointed out that we've only been defeated once and that was on IDA which was restored on the Floor. Barr summarized that we would probably get a 100 million out of Congress, but 200 million would be too big.

Katzenbach countered by saying that other governments will understand if the Congress cuts the President's request, but they will not understand if the President doesn't send it up. Also, Katzenbach believes that the full 200 million authorization request should be sent up instead of merely 100 million.

Eugene Black said "if you go to Congress with 100 million dollars that's as bad as not going up at all." He also said he's sure that we'll get thrown back if we send up the 200 million authorization.

The President asked whether the Germans or English were participating.

Eugene Black said they had not been asked yet.

The President said that both had committed funds of about 40 or 50 million dollars.

Katzenbach said that that was for the capital investment. This is a supplementary, soft loan special fund Katzenbach said.

Bill Gaud said he agreed with Katzenbach and Black and he also told the President that sending up this request would not hurt the AID Bill.

The President said he wanted to do this all along, and he'll perform his part but he asked that a message be drawn up and the other Members of Congress be canvassed.

Katzenbach said he did not think that the President should make a special deal or effort out of this with the Congressional leadership until Katzenbach sees clearer what it looks like on the Hill. He said he thought Mansfield would be hot for this.

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The President closed the meeting by asking that I remind him to talk to Senator Dirksen about this.