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MEMORANDUM

NATIONAL SECURITY COUNCIL

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INFORMATION

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MEMORANDUM FOR ROBERT C. McFARLANE

FROM: ^{WR} WALTER RAYMOND, JR.

SUBJECT: The Asia Foundation

I have been advised that the Department of State is including Asia Foundation funding in their FY 84 budget request in the sum of \$4.5 million. They have indicated in their memorandum to you of September 2, that they are actively looking at TAF as one of several instruments that can be used to implement the President's decision to support the building of democratic institutions. It is a positive step for the Department to include TAF funding in their budget. They have previously resisted this. It is obvious that they have drawn back from a projected \$10 million per annum figure in the expectation that additional funding will result from the Political Action discussions now taking place at the principals level. I think this is probably an acceptable half-step on the part of the Department.

In a literal sense Bill Schneider (OMB) is correct that the Budget Review Board did not vote support for TAF as I stated in my memorandum of 23 August. Both BRB and State recognized TAF was a worthwhile organization. In a letter of 5 August to Congress the Department of State underscored that TAF had made significant contributions to U.S. foreign policy objectives, had furthered the goals and objectives of U.S. policies through fostering democratic institutions and, as a private organization, had accomplished things which a government organization cannot do. In summary, however, State advised Congress of the "relatively lower priority of the Asia Foundation's claim on resources within the Department of State's budget." This was the view of the Department of State after BRB had insisted that State use its own funds if TAF were to be funded, and not seek add-on monies. This issue, of course, is one of the fundamental reasons for the entire Political Action exercise.

I do not believe a formal response is required to the Department of State at this time. This memorandum has been coordinated with Gaston Sigur.

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BY

NARA DATE 6/19/17

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