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## EXECUTIVE OFFICE OF THE PRESIDENT

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OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

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SEP 2 1982

MEMORANDUM FOR: Robert C. McFarlane

William Schneider, Jr. FROM:

The Asia Foundation SUBJECT:

Dick Kennedy shared with us Judge Clark's August 23, 1982, memorandum to Secretary Shultz regarding U.S. government support for the Asia Foundation (TAF).

That memorandum states that the Budget Review Board has voted to support the Foundation. To our knowledge, no such BRB decision has been made. In fact, when the BRB last considered this issue on March 29, 1982, it decided not to include funding in the budget for a U.S. Government grant to TAF. The Board's decision was based on the judgement that given the limited resources available for international affairs programs, funding for the Foundation could not be justified. During that March 29 meeting, the State Department was given the opportunity to fund TAF within its existing budget, but would not agree to do SO.

After the Board's decision, the State Department submitted a report on the Asia Foundation to the Congress as requested in the Senate Foreign Relations Committee report on the 1982/83 Foreign Relations Authorization Act. A copy of the State Department report is attached for your information.

I now understand that a proposal to continue U.S. funding for the Asia Foundation is included in the "political action" initiatives being developed by the State Department and several other agencies. We will, of course, work with you to reconsider the relative priority of support for the Foundation as part of these initiatives keeping in mind, however, the need for identifying budget offsets.

Attachment

cc: Richard T. Kennedy

DECLASSIFIED #133971 NLRRM 32105 NARA DATE

