

THE WHITE HOUSE

WASHINGTON

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March 17, 1976

MEMORANDUM FOR THE PRESIDENT'S FILE

FROM:

Robert B. Oakley *RO*
NSC Staff

SUBJECT:

Meeting with American Jewish
Leadership Group, on Wednesday,
March 17, 1976, 3:15 p.m. - 4:45 p.m.
in Cabinet Room

PARTICIPANTS:

- Mr. Max M. Fisher
- Rabbi Alexander M. Schindler, Chairman,
Conference of Presidents of Major
American Jewish Organizations and
President, Union of American Hebrew
Congregations
- Mr. David M. Blumberg, President,
B'nai B'rith
- Mr. Yehuda Hellman, Executive Director,
Conference of Presidents of Major
American Jewish Organizations
- Rabbi Arthur Hertzberg, President,
American Jewish Congress
- Mr. Jerold C. Hoffberger, President,
Council of Jewish Federations and
Welfare Funds
- Mr. Harold Jacobs, President, Union of
Orthodox Jewish Congregations
- Mrs. Charlotte Jacobson, Chairman,
World Zionist Organization--American
Section
- Mr. Frank R. Lautenberg, General Chairman,
United Jewish Appeal
- Mr. Arthur Levine, President, United
Synagogue of America
- Mrs. Rose Matzkin, President, Hadassah



DECLASSIFIED

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NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES *state review*
BY ld, NARA, DATE 6/17/04 *3/12/04*

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

Rabbi Israel Miller, Immediate Past
Chairman, Conference of Presidents of
Major American Jewish Organizations
Mr. Edward Sanders, President, American
Israel Public Affairs Committee
Mr. Jacob Sheinkman, President, Jewish
Labor Committee
Dr. Joseph P. Sternstein, President,
Zionist Organization of America
Mr. Elmer L. Winter, President,
American Jewish Committee

The Honorable Gerald R. Ford, President
of the United States
The Honorable Henry A. Kissinger,
Secretary of State
The Honorable Brent Scowcroft, Assistant
to the President for National Security Affairs
Mr. David H. Lissy, Associate Director,
Domestic Council
Mr. Robert Goldwin, Special Consultant to
the President
Mr. Robert B. Oakley, ^{Mr.} Area Director for
Middle East and South Asian Affairs,
National Security Council Staff

Max Fisher:

Mr. President, I would like you to meet Rabbi
Schindler, the new Chairman of the Conference of
Presidents of Major American Jewish Organizations.
We all welcome this opportunity for an exchange on
the concerns we have.

President:

Let me make a few general observations first, then
Henry Kissinger and I will deal with specific questions.
Let's review the developments in the Middle East
since I became President. After the Yom Kippur
War the U.S. was helping rebuild Israel, providing
large amounts of economic and military assistance.
Then in March 1975 the negotiations fell apart and
we had a period of uncertainty before they were
concluded in September 1975, with the historic

President:
(Continuing)

Sinai Agreement. Now the U.S. and U.N. observers are in place--I just saw a report on that today--and both sides are carrying out their part of the bargain. It took great courage by both sides to reach this agreement. More recently we have had the visit of my friend, Prime Minister Rabin. We had three meetings and a dinner together and came to an understanding on some ideas of how to proceed in trying to get negotiations started again. This is not easy but the Prime Minister recognized the danger of doing nothing.

It is of great importance to us to secure Israel's survival and security. In the current fiscal year we have requested \$1.5 billion in military assistance--50% of it in grants--and \$800 million in economic aid for Israel. We have asked about \$700 million for Egypt and smaller amounts for other Arabs. In fiscal year 1977 we have requested one billion dollars in military aid for Israel and \$780 million in economic aid. There is about \$650 million for Egypt. We are working in a constructive way to see that Israel has a military capability adequate to meet any contingencies. That and the favorable developments in Egypt give brighter prospects for the future than in the past.

Sadat has taken a strong position toward the USSR. In his speech he cut off all relations with them. It took a lot of courage and I applaud it. It turns Egypt more our way. We should welcome and support this evolution.

That provides a rough estimate of where we are. Now, I understand that you have some questions about the C-130 propeller aircraft we intend to sell to Egypt. This is fully justified. It provides no offensive military capability. You must look at the total picture of aid to Israel, both military and economic, compared to our aid for Egypt. No one should object to the division of support. The planes should go to Egypt. If you disagree, I want to know why. If you have questions, please ask.

President: I am firmly convinced this is the right move for
(Continuing) Israel as well as the U.S.

Now I will ask Henry to give you his ideas.

Kissinger: We must take the strategic view, look at what has been created and where the greatest danger to Israel lies. The greatest danger is a unified Arab front backed by the Europeans and the Soviets, isolating the U.S. and Israel. So we want to disentangle the situation and eliminate this threat. The security of Israel is strategic and not tactical. At the end of the October War everyone was united in opposition to Israel and they were all pressing the U.S. to pressure Israel for an immediate return to the 1967 boundaries. Our desire to maintain a special relationship with Sadat is not naive, but to buy time so we can bring about a better situation. This is why we propose C-130s. Sadat is having a tough time with his army who could throw him out and open the way for a massive influx of Soviet arms. We must remain in control of the diplomatic situation. There is no danger of large-scale U.S. arms sales to Egypt. You must keep in mind the overall strategic considerations.

President: The breach in Egypt's relationship with the USSR followed Soviet pressures. They cut off spare parts and maintenance for Egyptian weapons and equipment.

Kissinger: Egypt's MIGs fly only six hours a month. We want to keep Egypt neutralized but no army can be expected to accept the prospect of no weapons at all.

President: If we cut off Israel's spare parts, their military capability would go down. But selling six C-130s will not affect Egypt's military capability.

Someone mentioned to me your interest in the Sheehan article. Our position is firm and clearly understood by both Sadat and Rabin. We stand by Security Council Resolutions 242 and 338, period.

President:
(Continuing)

They provide for negotiations and secure and recognized boundaries. We stand for that.

Kissinger:

We have a problem. We cannot comment on every book or article that appears. There are so many, and full of distortions. Look at Matty Golan and Admiral Zumwalt. We cannot contradict or correct all the errors but the U.S. position is as the President has stated and we have never deviated from it. The Arabs complain that they are never able to get a commitment from us on the 1967 boundaries. Had we wished to pursue the 1967 boundaries, we could have done it much more easily without any need for ambiguity. We could have joined the EEC in October 1973 and done it directly. Instead we decided upon the step-by-step approach to avoid just this and ease the pressure on Israel. We have always said that the location of secure and recognized boundaries is to be negotiated by the parties. We stand on Security Council Resolutions 242 and 338.

Fisher:

Some would say this meeting has a teutonic aspect with Kissinger and Schindler.

Kissinger:

I would say it is a Harvard aspect.

Schindler:

Mr. President, I want to thank you for receiving us and for your past affection for the Jewish Community. Because we are Americans we also thank you for the way you have conducted yourself in office. And we thank you for the overall thrust of U.S. foreign policy in the Middle East--to separate the moderates and the radicals and to drive out the Soviets. There has been more progress in containing confrontation in the past two years than during the preceding twenty years. So we support your overall policy. We also agree that six C-130 aircraft will not affect the military balance of power. Still we are afraid and we are apprehensive. We fear it is the beginning of a process. The symbolic aspect scares us. We buy

Schindler:
(Continuing)

the overall approach of supporting moderates so we support economic aid to Egypt and we do not oppose the nuclear agreement. But we are worried about the six C-130s as being the start of a much larger process. Why does Egypt need arms? Its only enemy is Israel. Israel must fear not only Egypt but all the Arabs. Arms can be transferred from one to another. Last year Israel got \$1.3 billion in arms but the Arabs got between \$14 and \$15 billion worth of arms. There is also a qualitative imbalance, the superiority of American equipment. That is why we do not want American equipment going to Egypt. Israel needs to maintain qualitative superiority with planes like the F-15.

President:

Let me comment. If we look back at the four wars Israel has fought and the tragic loss of life, perhaps we can agree that the best way to alleviate the fear of another is to have Egypt dependent upon the U.S. rather than the Soviets or even Western Europe. It is better for us to be able to turn them on and off than for others to be in that position. Also, you cannot dismiss the problem between Libya and Egypt. Egypt is a much better friend of the U.S. than Libya which is getting huge amounts of military assistance from the USSR. That is creating a serious problem for us.

Kissinger:

Egypt will not allow itself to be totally disarmed. Either Sadat gets some arms from the U.S. or he will go elsewhere or he will be thrown out. Do not drive him to despair. The problem of more arms for Egypt may come back in a year or two but by then we will have gained time for more peace moves. The President is speaking theoretically when he talks of the U.S. having the ability to control Egypt's supply of arms. There is no plan for a significant supply of U.S. arms. You spoke of the F-15 but we have no intention of supplying sophisticated arms to Egypt. The transfer of equipment is a very difficult question. We have no fixed program except the C-130s and the training of ten to fifteen Egyptian officers at our military schools.

Kissinger:
(Continuing)

If we felt the need to move past this to another phase of arms supply we would be obliged to consult Congress but we do not wish to reach this point. On the other hand, we do not wish to go back to the point we were at in 1969 when we had to talk to the Egyptians through the Soviets. Last year there was an influx of Soviet arms to Egypt prior to the expected visit of Brezhnev but we stopped it by Sinai II.

Rabbi Hertzberg:

We are sympathetic to your policy. But you are going from a little bit pregnant to more pregnant. How can you stop the process? Egypt is very hungry for arms. If the military is that strong within Egypt, it will have to come back again for more arms. If we agree to six C-130s as a symbolic act, then it is the symbol of more, but how much more and when? There is a theory that Israel is so dependent upon the U.S. that it means parameters are set for Israeli policy. But what about U.S. influence on Sadat's policy? What will bring Egypt and the Arab moderates closer to the U.S. and Israel? What will Egypt do in return for the C-130s? What do we get in exchange?

President:

One thing has already occurred, the breaking of Egyptian military relations with the Soviets. Closing the port of Alexandria to Soviet naval vessels deprives the Soviet fleet of valuable repair and maintenance facilities. They can go to Libya, maybe, but it is not as good. You cannot develop installations overnight to meet the Soviet needs. There are also two ports in Syria but they are not as good as Egypt. That is already a big dividend.

Kissinger:

Another dividend is the peace process. So long as Egypt adheres to its present policy we can withstand Arab/Soviet pressures to move too fast toward peace. With Sadat we can move at a pace Israel can accept. We told Rabin to think about what Israel could do next. He sent us some ideas on non-belligerency. We took them to Sadat but to no other Arab.

Mrs. Matzkin:

Mr. President, you want to know what the people think. Well, the question I get all the time is if the U.S. supplies both Israel and Egypt, how do you cut off supplies if there is a war? Does the U.S. take sides? U.S. arms will be tested on the battlefield where we do not want them tested. You asked if Egypt did not deserve a reward. I reply that they have a reward. They have most of the Sinai back, they have the oil fields and they are getting large amounts of economic aid. Egypt has internal problems yet it is spending its money on arms and is not committed to peace.

President:

It is our hope that military and economic aid will allow the U.S. to avoid another war. Having both dependent upon the U.S. gives us leverage to preclude it. Although Sadat is an outstanding leader, he does have to contend with military leaders who see the Soviets cut off supplies and look to see what the U.S. will do. There is a theoretical potential of military leaders who might want to take charge in Egypt. We must deal with reality and keep Sadat in office. He has done more than anyone since I have been President to try and find a non-military understanding with Israel.

Kissinger:

You talk as if Egypt were to be fully rearmed. If the President made such a decision and Congress approved it, there would still be five years or more needed to replace Egypt's present weapons due to production and training problems. But let's be realistic. We are not interested in replacing Soviet equipment with U.S. equipment. That is not our problem. Our problem is to keep the peace process alive. The situation you describe would probably take ten years to achieve even at top speed. But that is not what we are talking about.

Hoffberger:

The President and the Secretary of State mentioned Egyptian military influence and the threat to Sadat. Are you telling us Sadat is in a precarious position?

President:

My impression--and Henry can supplement it-- is that Sadat is in a strong position. He has given the kind of inspirational leadership Egyptians like. Yet there is a history of military rule in Egypt and the army taking power. This was true of both Nasser and Sadat. We must be alert to contingencies. Egypt has an enormous debt and a huge military supply problem. There are great pressures to do more economically and militarily. We see no immediate threat but we must be realistic as to what could happen if the economy were to collapse or military supplies totally cut off. Then there is the threat of Libya and Qadhafi.

Winter:

I have just come from a meeting of the Business Council. I am troubled by what you say. Secretary Kissinger says we will not be the chief suppliers of both sides, so where does Egypt turn for the bulk of its arms? To Europe? So how are we going to get them wholly into our camp without a full military relationship which we do not want?

President:

The same delay Henry spoke of about U.S. deliveries applies to Europe. It would take five years or more as Henry stated and this applies to the Europeans. Personally, I agree with you and would prefer to have Egypt dependent upon the U.S. rather than Europe. But we have not made that commitment. Practically, I would prefer this but we have not done it.

Kissinger:

I understand the dilemma you pose. There is no good answer. We cannot accept either to supply nothing or to be the chief supplier. If we are either one or the other, it would be too much. So we will find a path in between and try to gain time. I do not think we are in a position to make an absolute decision. We do not want to be the main supplier nor to decide to do nothing more, even than the C-130s. But there is no great speed in doing more. We want to be able to move the peace process along.

Rabbi Miller:

Mr. President, we all know of your friendship with the American Jewish Community. So we will speak with candor based on respect and show you the deep worries of that community. We are profoundly worried, not about six lousy planes but about what you and the Secretary here have said. We are concerned about tomorrow. We recognize what you are saying is that the U.S. must gamble, that there is no guarantee. We recognize this since the situation cannot remain static. Our concern is that the U.S. will become a supplier to Egypt which will have a mixed source of supply--from France and others--and Saudi Arabia will have a substantial amount of arms, which it can supply to Egypt. Realistically, in another conflict, Egypt will not stand away and it will have many sources of supply. As to negotiations, your gamble on supplying arms to generate movement will necessarily become a fixed commitment. As negotiations progress, another allocation of more advanced and sophisticated weapons will be requested by Egypt as a price for continuing. You will say, we have gone so far so we must go a bit further to keep negotiations going. The American Jewish Community worries about this scenario. We worry also about the Sheehan article. We worry about the billions and billions of dollars in arms for the Arabs. Where are we going? We worry about what is going to happen tomorrow.

President:

You expressed the same concerns a year ago prior to the negotiations in March and then after the March negotiations failed. Yet by developing the trust of both Israel and Egypt we were able to obtain the Sinai II Agreement. It is an achievement of great significance. You were concerned throughout the past year but the movement has been a success so your legitimate fears have been eliminated by the results. I believe in Security Council Resolutions 242 and 338. There must be progress within the confines of these resolutions. We cannot eliminate your concerns and apprehensions. They will always

President:
(Continuing)

be present. But you must have faith and trust. This is not the ideal world but the real world. We are making headway on getting trust between the U. S. and Egypt and the U. S. and Israel and Egypt and Israel. Lots of progress. It should not be underestimated.

Miller:

We are expressing the fears of our people. You all must deal with this and get it across to our people. Mr. Jacobs will talk to you about aid, about the fifth quarter. There are certain ways to explain trust. It is not enough to say "trust us."

Mrs. Jacobson:

We appreciate your comments on the Sheehan article. I would like to set the record straight on leaving here by saying that you have told us the U.S. position does not go beyond supporting Resolutions 242 and 338. It seems to me that we need an additional step by Egypt toward peace. Sadat dismissed the Soviets because they were not giving what Egypt wants. It is a golden opportunity to move towards peace. Let us make a new effort with Egypt. A major breakthrough on the Sinai. The word peace is still missing.

President:

We are always ready to begin negotiations if Israel and Egypt are ready. It is not up to us. But you cannot make overall headway by concentrating exclusively on Israel and Egypt. We are working with Prime Minister Rabin to find ways of further progress. It is up to Israel and the Arabs but we will continue our mediating role.

Kissinger:

The Israeli Government is telling us constantly not to go too fast, not to try for overall peace now. We have an agreed strategy with Israel to try for an end to the state of war. But the gamble of turning back on C-130s for Egypt would be extremely dangerous. We asked Israel to do a bit on the West Bank before Rabat to preclude the PLO, but it did not work. The Israelis are nostalgic for Jordan today. I am not sure your idea would be greeted with joy in Jerusalem since Israel would

Kissinger:
(Continuing)

need to spell out its position on final boundaries if it were to negotiate for peace.

Jacobs:

I saw your wife in California, campaigning for you, Mr. President. She makes an excellent impression.

President:

I am trying hard to get my votes up to her polls.

Jacobs:

What about the fifth quarter funding for Israel, are you going to support it or not?

President:

We did not recommend any funds for the 5th quarter. We recommended \$2.3 billion for FY 76 and \$1.8 billion for FY 77, with \$1.0 billion in military aid. Based upon the analyses of all the reports in the U. S. Government, this is plenty to keep up with Israel's modernization needs. It is not as much as their MATMON-B plan, but it is enough. The technicians actually recommended \$.5 billion, but I upped it to \$1.0 billion. In all honesty, during my talks with Rabin there was no sign they were disappointed. Maybe he tells you something he does not tell me but he said he was content. They had a much longer shopping list but a lot of it was filled.

Now the Senate Appropriations Subcommittee has increased the aid bill by one billion dollars, \$500 million of it for Israel for the fifth quarter. I am trying hard to get the budget under control. I am squeezing every Department except Defense. So now you want me to approve another one billion. How can I justify that when people complain about how heartless and cruel I am for cutting food stamps, HEW and other programs. This is a very significant increase for the Middle East, especially when I am told by the technicians in CIA and DOD that \$500 million would be enough for Israel. I recommended \$1.0 billion. I must relate domestic programs to foreign programs. We must stop the growing deficit and inflationary pressures. I think it is wrong to ask for this and I feel strongly about it.

Fisher:

To sum up, the six planes to help Sadat is not really a concern. The concern is over the U.S. eventually becoming a major supplier. This year, you have to gamble with six planes. Next year, you may have to gamble again, but if so, you will go before Congress. You do not want the U.S. to be a major supplier. You are playing for time. We understand this.

On aid, I know your problem but what will happen if Congress passes the bill. That is a real problem. There is a lot of sentiment in Congress for an increase across the board for Israel. I would not be frank if I did not tell you of our concern that this be approved.

President:

I get bill after bill from Congress, they add \$1.2 billion to HEW, \$1.0 billion to HUD, more to Interior. Look at the totals and see where this would take us. So I veto. We must get a handle on the rate of growth. If we did not change a law, there would be a \$50 billion increase in FY 77 expenditures. This country simply cannot afford it. Look at the projections. Already the Congressional Committees have sent increases to the Budget Committee totalling over \$20 billion without the increase for foreign aid. How do I answer those who say I am hard-hearted on domestic programs if I go along with greater foreign aid and military assistance. You need to look at all this in context. My job is a tough one, but I can face it.

My fundamental view is the same today as for twenty years in Congress and it will not change. We will deal with day-to-day problems in a frank and candid way. You need to trust me. My view will be the same in the future as in the past on Israel.

Fisher:

Thank you for this meeting, Mr. President.