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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
Brent Scowcroft, Assistant to the President for
National Security Affairs
Alan Greenspan, Chairman, Council of Economic
Advisers
David Lissy, White House Staff
Jewish Leaders (Tab A)

DATE AND TIME: Thursday, June 24, 1976
5:00 - 6:50 p.m.

PLACE; The Cabinet Room

Fisher: I want to introduce a group of leaders who want you to be re-elected.

[More words of introduction.]

President: I am very grateful you came by to hear me say a few words, but I'd like mostly to respond to your questions.

You are interested in the economy. One year ago, we were in trouble. Now you know as well as I do that we are headed in the right direction. To best coordinate the economy, it is important to work with the leaders of the other industrial countries. That is why I am going to Puerto Rico this weekend to meet with them, in a continuation of Rambouillet. [More on the economy.]

In the Middle East, the situation in Lebanon is a mess. The line-up there is so complex as to be unbelievable. [Describes] Israel has been magnificent in its restraint. We are working for a resolution of this difficult situation. My relationship with Prime Minister Rabin and the Israeli Government is excellent and I think he would agree.

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/22/00, STATE DEPT. GUIDELINES, State Div. 233/12/04

BY: [Signature] . MARA. DATE 7/27/04

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~~TOP SECRET~~ (S) (C)
CLASSIFIED BY: [Signature]

I have recommended 40% of all the aid given to Israel since its independence. I am not apologizing -- I am proud of it.

There are some problems. Jewish immigration from the Soviet Union was 35,000 in 1974; it's 1,000 a month now. We must get it back up there.

In Defense, I was known in Congress as the biggest hawk. [Made the standard pitch about turning around the trend of the defense budgets.] I strongly believe the U.S. must keep its leadership role in the world through our strength and our diplomacy.

Question: What would be our reaction to attempts to expel Israel from the UN?

President: We would vigorously oppose it, mobilizing our friends and all other resources.

Question: In the event of a resolution of Lebanon, how would you see the position of the PLO?

President: One can only speculate, but I would see Syria as the dominant element. I see the PLO as having only a minimum role in Lebanon. I think Syria will play a big role and they are working with the Christians. I think the PLO will play a minimum role.

Question: Syria is an age-old enemy of Israel. In that case, how do you see them in that role on the flank of Israel?

President: The greatest deterrent is the military capability of Israel. You will notice the Syrians didn't do all that well against the PLO. What better solution in Lebanon would you propose than the one I outlined? Partition would still have the Arabs on the Israeli border and the Christian state separated. Or, the Libyans and Iraqis with the radicals could triumph. How would that be?

Question: I'd like to ask about the Transition Quarter. If you could resolve it at the \$375 million level, it would certainly help us with our constituents.

President: [Described the FY 76 budget submission. Then pointed out the TQ problem.] For FY 77 -- the 15 month period -- the low agency recommendation was \$500. We had all the intelligence



estimates. I told the high figure of \$1 billion. At that time, I was told it included the necessary figure for the TQ. [Described the FY 77 figures.] The Senate added \$550 million for the Transition Quarter. That was contrary to all the experts in the Administration, many of whom thought I was too high. We were also facing a fiscal crisis in the government. I decided I had to cut the budget growth from 11% to 5.5%. So I need to make cuts, and at the same time I was increasing the Defense budget. It was a difficult situation.

[Described the meetings with Congress.] I will continue to work with the Hill and I think we can resolve it to take care of the real needs. It will probably be more than the \$200, but it may be not so high as the Congress wishes.

Question: Could you tell us how committed the United States is to Israel? How important is it and why, beyond the fact it is a democracy and a friend?

President: I think one of the best indications of my commitment is the word of two Israeli Ambassadors -- Rabin and Dinitz. They both know it and will testify to it.

[Described his admiration of the American Jewish people and the development of Israel and the accomplishments of both.

Question: Could you expand on what our specific interests are in a security sense or other sense in Israel?

President: Israel is in a vital spot in the Middle East. It is an area of great riches and strategic importance and Israel is the key to peace in the region.

Question: Soviet Jewry. We need to find a way to rectify this terrible situation.

President: [Described the situation.] We would like to rectify the situation and we are willing to work with the Congress if we can get the votes. It would be realistically hard to do in this unusual legislative year.

Question: Boycott: There are two measures in the Congress now which hit companies that are abiding by the boycott.

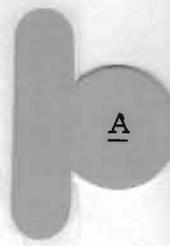
President: I don't want to comment on specific legislation, but we are working on the boycott. We haven't gotten far enough, but we are doing things.

Question: On the domestic side, quotas are really hurting. What is your attitude?

President: The quotas are anathema to me. [Long description.]

Question: The thing most Americans want is a new unity of America under its principles. You as a person stand for that, but I don't think that is coming through in your campaign organization.

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GERALD R. FORD LIBRARY

FISHER, Mr. Max
Detroit, Michigan

BARNETT, Bernard H., Esq.
Barnett & Alagia
Louisville, Kentucky

BELL, Mr. Leonard David
General Partner
Private Investment Placements
Boston, Massachusetts

BLUMBERG, Mr. Herschel Wolf
President
Prince George Center, Inc.
Hyattsville, Maryland

COHEN, Mr. Jesse J.
President
Greensburg, Pennsylvania

DOBBS, Harold S., Esq.
Dobbs, Doyle & Nielson
San Francisco, California

DUBINSKY, Mr. Melvin
Partner
Jack Dubinsky & Sons (Real Estate)
St. Louis, Missouri

FIELD, Mr. Irwin Saul
President
Liberty Vegetable Oil Co.
Norwalk, California

GLAZER, Mr. Guilford, President
Guilford Glazer Associates
Los Angeles, California

GOLDFINE, Mr. Leonard
President
Goldfine Truck Rental
Philadelphia, Pennsylvania

GRASS, Mr. Alexander
Chief Executive Officer &
Chairman of the Board
Rite Aid Corporation
Harrisburg, Pennsylvania

HAFT, Mr. Burt S.
General Partner
Haft-Chasen Associates, Ltd.
Miami, Florida

HASSENFELD, Mr. Merrill L.
Vice Chairman/Chief Executive
Officer
Hasbro Industries, Inc.
Pawtucket, Rhode Island

HECHT, Mr. M. Robert
Chairman of the Board
Oak Forest Bank
Houston, Texas

KAUFMAN, Mr. Richard Frederick
President
American Store Equipment Corpora-
tion
Muskegon, Michigan

KLEIN, Mr. George
President
Barton's Candy Corporation
Brooklyn, New York

LANSBURGH, Mr. Sidney Jr.
President
Raleigh Stores Corporation
Washington, D.C.

MEYERHOFF, Mr. Joseph
Chairman of the Executive Committee
Monumental Properties, Inc.
Baltimore, Maryland

MEYERHOFF, Mrs. Lyn
President Ford's Finance
Chairman for State of Maryland
Baltimore, Maryland

ZACKS, Mr. Gordon
President
R.G. Barry Corporation
Columbus, Ohio

MILLER, Mr. Samuel H.
Forrest City Enterprise
Cleveland, Ohio

NORRY, Mr. Neil
Partner
The Norry Company
Rochester, New York

ROSENBAUM, The Honorable Richard
Chairman
New York Republican State
Committee
315 State Street
Albany, New York 12210

NOVACK, Mr. Morris
Morris Novack Management Co.
Cherry Hill, New Jersey

STAFF

ROBINSON, Mr. Donald
Director and Consultant
Revco Drug Stores, Inc.
Pittsburgh, Penna.

Brent Scowcroft
Alan Greenspan
David Lissy

RUBIN, Mr. Ronald
President
Richard I. Rubin & Company, Inc.
Philadelphia, Pennsylvania

RUSSELL, Mr. Robert
President
Russell Anacondia
Miami, Florida

SCHACTER, Rabbi Herschel
Mosholu Jewish Center
Bronx, New York

SCHWARTZ, Alan E., Esq.
Honigman, Miller, Schwartz & Cohn
Detroit, Michigan

STRELITZ, Mr. Leonard
President
Haynes Furniture Company, Inc.
Norfolk, Virginia

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PEOPLE WHO CANNOT ATTEND BUT WOULD LIKE TO BE IDENTIFIED WITH
THE GROUP

HOCKENBERG, Harlan David, Esq.
Thoma, Schoenthal, Davis, Hockenberg & Wine
Des Moines, Iowa

LEVY, Mr. Gustav (Guss)
Senior Partner
Goldman, Sachs & Company
New York, New York

ROTHBERG, Mr. Samuel
Finance Chairman
Development Corporation for Israel
New York, New York

TISCH, Mr. Laurence A.
Chairman of the Board
Loews Corporation
New York, New York

HOFFMAN, Mr. Milton
Chairman of the Board
Wilton Caterers, Inc.
Spring Valley, New York

RABB. Maxwell M., Esq.
Stroock, Stroock and Lanvan
New York, New York



P/Jewish leaders
2nd June 76

F Want to introduce you who want you to be reflected.

(These words of introduction)

P Very grateful you came to hear me say a few words but mostly to respond to your questions. You are interested in a survey. One year ago we were in trouble. Now you know as well as I that we are heading in a right direction. To best cover the money it is important to work w/c leaders of ^{outer} industrial leaders. That why I going to PR the network to meet w/ them in continuation of Rombach (These are even)

Dr. ME, the sit in Lebanon is a mess.

The thing there is so complex to be unbelievable. (Resorts) I has been

working in its restraint. We are working for resolution of this sit.

My relationship w/ Rubin & Govt is excellent & I think he would agree.

I have more, 40% of all - and given to I give to help. I not organizing - I fund it.

There are some parts. Jewish migration from S.O. 35,000 in 74, 1000/yr now. We must get it back by then.

In Defense I was born in Congo as a biggest market.

(Made a standard pitch about turning around a trend of def budgets.

I strongly believe - US must keep its leadership in a world there ever

DECLASSIFIED

E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES state rev. no 3/12/04

BY llh NARA DATE 1/27/04

strength & our diplomacy

Q What would be our reaction to attempts to split I from UN

P We would vigorously oppose it, mobilizing our friends & all other resources.

Q In event of resolution of Lebanon, how do you see the position of PLO?

P One can only speculate, but I would see Syria as a dominant element. I see PLO as having only a minor role in Lebanon. I think Syria will play a big role they working w/c Christians. I think PLO will play a minor role.

Q Syria on age old enemy of I. In your that case, how do you see them ~~as~~ in that role on a flank of I.

P The greatest deterrent is a unitary identity of I. You will notice a Syrian didn't do all that well against PLO. What better solution in Lebanon would you prefer than a partitioned? Partition would still have Arabs on a I border & a Christian state separated. Or, the Lebanese & Israelis w/c a central could triumph. How would that be.

Q TQ. If you could resolve it as a 375 but it would certainly help us w/our constituents.

P (Described a F776 budget submission. Then pointed out the TQ problem. For F777 - a 15 month period, a low opening margin was 50. We had all the input estimates. I took a high figure of 1 but. At that time I was told it included a messy figure for a TQ.

SECRET



(Described FY77 figures).

The Senate added 550 mil for T&A. That was contrary to all the reports in the Admin, many of whom thought it was too high. We were also facing a fiscal crisis in the govt. I decided that to cut budget growth from 11% to 5.5%, so I had to make cuts, and that I tried to do in the Dep budget. It was a big job.

(Described a meeting w/ Cong). I will continue to work w/ the Hill & I think we can work it to take care of the real needs. Probably more than 200, maybe not so high as a long waste.

Q Would you tell us how united the US is to I. How important is it & why, beyond fact it's a democracy & _____.

P I think one of the best indicators of my country is a word of 2 I know - Patriotism & Unity. They both know it & will testify to it.

(Described his admiration of a Jewish people & a ^{one} department of I & their accomplishments & faith.

Q Could you expand on what some specific interests are in a security or other sense in I

P I is a vital part in the NE. It is an area of great energy & that makes it a key to peace in a region.

Q Soviet Jewry. We need to find a way to rectify this terrible set.

P (Described a situation. Said we would like to rectify the set and nothing to work of a Congress if we can get a vote. It would be relatively hard to do in this unusual legislative year.



Q Boycott. There is an immense in a long
chain, which would hit companies which
by a boycott

P ~~He said~~ Said he didn't want to comment
on specific legis, but we are creating a
boycott. We haven't gotten far, but we
are doing things.

Q ~~So~~ On domestic side, protests are really hurting,
what is your attitude?

P Protests are another to me. (long description)

Q The thing most Americans want is a security of America
under its principles. You as a person stand
for that but I don't think that is coming thru
in your campaign orator.