MEMORANDUM
THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS:  President Ford
                Rep. Otto Passman, D-LA
                James Lynn, OMB Director
                Don Ogilvie, Deputy Director, OMB
                Max Friedersdorf, Assistant to the President
                for Legislative Affairs
                Brent Scowcroft, Assistant to the President
                for National Security Affairs

DATE AND TIME:  Thursday, February 19, 1976
                7:40 - 8:45 a.m.

PLACE:  The Oval Office

Passman:  I am worried about the House International Relations Com-
          mittee putting a minimum under these multi-national lenders, whose
          reserves have multiplied fantastically.

          The Export-Import Bank is a good outfit, but when you have
          25-year loans, that is aid. On bilateral aid, the money comes back into
          the Treasury. On the multi-nationals -- none of it comes back into the
          Treasury and we can't audit it and we get no credit for it. I know it
          supports our foreign policy and I didn't come down here to bitch about it.

          I have never seen pressure like there is from Israel, especially
          on Transitional Quarter this year.

President:  We don't think they need it. We looked at it and added some
           in '77. The Senate Foreign Relations Committee screwed up the bill,
           but if the proportions are changed, we will veto.

Passman:  I thought about 1.5 for Israel and $700 for economic aid --
          which is a cut of only 50 million. Then I would cut 100 out of Egypt, be-
          cause they got the oil fields back, which are worth about $350 million.
President: But the oil belonged to them.

Passman: 80 for Syria, and 72.5 for Jordan. We are increasing Egypt plenty. They didn't used to get anything.

Scowcroft: But they used to get it from the Soviet Union. They don't get that anymore.

Lyman: That is right, and they were very courageous in cutting loose from the Soviet Union.

Passman: All right, let's raise the Egyptians to 700.

I want you to raise schools and hospitals for '76 and '77 by 10 million. These are really good projects. Not a penny is wasted. Help me out. These are peanuts.

President: Do you want to hurt Indonesia?

Passman: If I had my way they wouldn't get a dime.

President: They are important and have been very good.

Passman: Okay, I will protect it.

President: If you cut the Middle East, it must stay proportional.

[Program discussion]

I will give you 10 million for '76. You don't need the '77 yet.
Dear Mr. Passmore/Army

17 Feb 76

Fielding

Your letter arrived about 10 days ago. I am currently under the multi-bundle scheme, which requires some multiple guitar/strings.

I am a good singer, but your notes from 75 years ago are a bit out of tune. Our relationship, as I say, comes back with a bang. On multi-bundle, you can stretch the rules, but in this case, we can't stretch it any further as it's not yet the end of the year.

I hope you are more successful than I am in drawing your conclusions.

To this end,

P. We don't know how many Japs we killed at all. The called it all 15,000, but we know it isn't true. We're a pretty nice people and we know we aren't.

I'd say about 15,000, maybe 20,000 or 30,000. It would cut us out of T, cause they get killed back there, worth 300,000.

P. But we believe it.

6. 50 for sugar, 7,5 for fodder.

We are running out of supplies, as you well know.

b. But they wouldn't buy them all.

That's a surprise to them.

3. 10 for sugar and they buy every one of them.

They have lots from 50

2. Old enemy, but win with a 75./70.

I want to continue to write another letter for 90 or 77 by post. These are really good, and you'll get your copies.

I hope you enjoy the letter.

P. You want that additional?
If I had any way they wouldn't get a line.

If they can't understand, I have been very good.

OK, I will pull it.

If you can't trust me, it must stay proprietary.

Program discussion: DFR

I would give your 10 mid for 76. You didn't need 72 yet.