

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 Committee 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, because 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.

Lynn: 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.



✓ P/Otto Passmann / Kyrus / Ogilvie /
19 Feb 76 Friedlander

P I am worried about NRC putting minimum reserves
these multi-lenders, whose reserves have multiplied
fantastically.

X-as is a good outfit, but when you have 25-yr
loans, that is odd. On bilateral, a money comes
back into a Treasury. On multi - money comes
back into a Treas, we can't audit it & we get no
credit for it. I know it supports our FP & I didn't
come down here to bitch about it.

I have never seen pressure ^{my} like this in print, or
TQ this year.

P We don't think they need it. We looked at it & added
the SFRC + covered up a bill
from '77, a lot of a populations are changing, or
wind onto.

P I think about 1.5 for I + 700 loan - a cost of only 50 mil
Then I would cut 100 out of E, cause they got
oil fields back, worth 350 mil.

P But - oil belongs to them.

P 80 for Siquin, 72.5 for Jordan
We are increasing E plenty & they didn't ^{use to get any thing} ~~get~~ ~~back~~

S But they need to get it from a SU. They don't get
that any more.

L That is right and they were very courageous in
cutting back from a SU

P All right, let's raise a E to 700
I want you to raise schools & hosp for '76 + '77 by 100
These are really good projects - not a penny waste.
Help me out - these 10 permits.

P You want first Jordanian?



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

P They are important & have been very good.

P OK, I will protect it.

P If you cut NIE, it must stay proportional.
(Program discussion)

~~P~~

P I will give you 10 mil for 76. you don't need
77 yet.

