

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Gerald R. Ford
 Max Fisher
 Brent Scowcroft, Assistant to the President
 for National Security Affairs
 David Lissy, Special Assistant to the President

DATE AND TIME: Tuesday, April 20, 1976
 5:30 - 6:20 p.m.

PLACE: The Oval Office

The President: Tell me about your trip to the Middle East.

Fisher: The underlying theme is a feeling for peace. This is different -- that more and more people are thinking of it. Take a man like Shimon Peres -- he isn't nearly as hard line as he was.

Rabin made America's position clear to our group -- he was very good in explaining our point of view. [He shows the President the press clippings of his press statements. See attached.]

The President: That is extremely helpful, Max.

Fisher: I told them you had no tension about Israel -- that they were creating the tension.

I talked to Rabin about the settlements too. He said he should meet the issue head on. He said he had the religious parties on his neck. I told him it wouldn't go away and he certainly wasn't through with the troubles on the West Bank.

What does this mean? My assessment is there is an evolution away from the hard line of Golda. It is just difficult. If we can get them UNDOF and this Zionist thing, I think we will be all right. There is a good feeling toward Sadat and not even the bitterness now toward Asad -- you know they

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think he has been pretty good in Lebanon. I talked with Rabin about aid. He said he hadn't raised the Transition Quarter with you and you hadn't promised. He said "What we really need was credits for deposits on what we need in 1978 and 1979." He says what he really needs is some money in the Transition Quarter for down payments.

The President: Is that what Jim Lynn is talking about?

Scowcroft: [Describes down payment, frequencies, etc.]

Fisher: I think that in this transition period to make available 2-300 million in credit sales, it would help a lot. It wouldn't hurt the budget because it is only a down payment.

It is my feeling that within the next year there is a chance for a Middle East settlement. But in the Jewish Community these perceptions get around. And if there is some way to work this out that doesn't hurt your budget. Some military credits would really get them out of a box and help the perceptions.

The President: We have done preliminary reviews to do two things -- make some face-saving for the people who put in the \$500 million and for me and my budget. Also, they really gutted me in other areas and they have to find a way to restore some of these. The problem is on most of the items there is little flexibility between the Houses. Another area is the Authorization Bill. We are looking at all these to see if there isn't something we can get in return for leaving something in the Transition Quarter. We are exploring every legitimate opportunity, to get out of this. I don't want a confrontation, but the question is how to get out of it.

Fisher: It isn't \$500 million and it isn't economic assistance. Rabin says if he can just have some money for credit sales.

The President: We are seeing what we can do.

Fisher: It ought to be structured in a way that you get the credit for it. I can do that for you.

The President: We have another problem -- Passman really stuck his neck out for us. I can't tell you without telling Otto first. I can't double-cross him.

Fisher: I just want to be able to say I discussed the Transition Quarter with you.

The President: That is no problem. It is just that Otto is a good friend of mine and a friend of Israel.

Fisher: But I want you to get the credit. There are so many hardliners in the Jewish community.

The President: You were there before the elections?

Fisher: Yes. But I told them they would get a shock in the West Bank elections.

I pointed out how much the United States had done for Israel. Now it is politics.

In fund raising, the Jewish community did fine. We need to do more work nationally.

The President: Our problems are Ohio, Pennsylvania, New York and California.

Fisher: I am working on Ohio now. I said we need to target the big states, not the little ones. The question I keep running into is that you have written off the Jewish vote. You need to make a Jewish speech and I have the forum. It is here to the American Jewish Committee. Jackson is the number one in the Jewish community.

The President: He will never make it.

[David Lissy comes in.]

Fisher: Humphrey is next, but Carter will never make it with the Jews. They wouldn't trust him. This is the important group and is the one for your first speech. If we can get the Transition Quarter behind us this could be great to get these perceptions behind us. The next thing is the Jewish press. I would like to have Dave Lissy work with Ron Nessen.

The President: We meet with various press groups. What if we meet with the Jewish press?

Fisher: We are talking 40-50 at the outside. We did it under Nixon -- I brought them in for a day of briefings, then have four or five in to interview you. Then I want to get some leaders in to meet with the White House Staff people.

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The President: The timing might be if Carter wins in Pennsylvania, we solve the Transition Quarter, if I maybe win in Texas, then would be the right time.

Lissy: Sanders, a liberal Democrat, said to me that if it is Carter, you will do very well.

Fisher: That is right. And people see how much money Israel has gotten over the last couple of years.

[Cheney comes in.]

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Max Fisher in a special interview to DAVAR.
"Someone who gives 4 billion dollars is not an enemy".
(By Yehoshua Tadmor).

DAVAR (Page 7)
April 7, 1976.

These days it is interesting to hear what Jews, who are supporters of Ford and not plain Jews, have to say: the Jewish leader Max Fisher, ^{former} President of the President's Club, who belongs to the top echelons of the Republican party. As is well known, there are not many Jews in the leadership of that party; it is enough if we recall that Fisher acts as Chairman of the Finance Committee, i.e. i/c of the President's election fund, who also participates in a number of consultative committees appointed by the President. When I asked this week Jews who know Ford personally, what the President's relationship to Israel is, they replied: Ask Max Fisher. He goes in and out at the President whenever he likes. He knows Ford closely for about 30 years. What Max Fisher will tell you will be more important than what we have to say.

Max Fisher, unlike his custom, was this time prepared for a real talk, and, although only part of it is "for publication", it contained quite a few things which deserve attention. Fisher wanted this time to make clear and to emphasize his point of view as a Jew and a Republican, especially because Ford's firm objection to the allotment of half a million dollars (for the transition quarter) to Israel, and even more the excitement and uproar around that subject in Jerusalem, bothered and troubled him.

I did not have to ask much. The subject is clear to him, and he also brought it up at his meeting with Ford two weeks ago, with the participation of the representative of the Presidents' Club. At that meeting Ford explained the reasons for his objection to the cuts in the budget which he had submitted and the expected deficit of \$ 42.9 billion, which in the meantime has swollen to more than \$ 50 billion, under the pressure of the Houses of Representatives. At the same meeting Ford also promised that, despite his objection in principle, he would study the matter once more. Therefore, Max Fisher does not understand

why one has to connect with this subject Ford's personal relationship towards Israel, and to make headlines out of gossip, which Ford said or did not say against Israel, things picked up from second or third hand, which had certainly not been properly checked and verified. Altogether, Max Fisher has quite a lot of criticism about the way we present Israel-U.S. relations. "After all, what sense does that make? How many good friends does Israel have in the world? How many of them stood by her right side in the latest debate in the Security Council? After all, it is the U.S. that arms Israel, supplies her with the necessary hardware, the economic and military aid and until now, on the whole, has stood by her commitments. So why does one have to get hold of the entire complex of U.S.-Israeli relations from time to time, and every time there are any differences of opinion on one subject or another - to splash them in headlines with big letters and cry:- a rift?" (Fisher argues).

I ask him about Scranton's speech, the transport planes to Egypt, the unsympathetic revelations and Ford's rigid stand in the matter of the interim budget. Max Fisher wants to draw a line. "I am not an expert on nuances" - he says. "Nor am I able to reply to one headline or another in an Israeli newspaper as to what one man or another said or recorded, as if it came straight from Ford's mouth. But I know what he told me and I have known the man almost since I entered political life in the State of Michigan about 30 years ago. Ford is a straight and honest man, who talks straight and to the point. He has a relationship of respect and appreciation for the Jewish community in the U.S. AND FOR Israel. He also appreciates personally Rabin, since they first met, when Rabin came to Washington as Israel's Ambassador to the U.S. No, I do not at all accept it that the matter of the additional interim budget of half a billion dollars is an expression of a hostile relationship. Certainly not of personal hostility. This is not Ford's style, and I don't know him as such.

What's more, we talked about that matter less than a fortnight ago, and I heard the reasons for his objection." Max Fisher reviews for my benefit some of Ford's basic economic concepts; "Ford grew up in that part of America whose inhabitants - of Dutch-Nordic extraction - believe in hard work, saving, diligence. There Ford absorbed the basic attitude towards a balanced budget, the avoidance of waste, the prevention of aid from someone who does not try, first and foremost, to help himself. This is also the reason for his stubborn objection to help New York in distress, and this is also the reason for his stubborn objection to the repeated demands that are coming in to Washington incessantly, from almost all the major cities of the U.S."

"I, for instance, am from Detroit, and Detroit is in great distress. Its deficit is about \$ 6 million. It needs help like air for breathing. I have been asked to intervene and help. But the President imposed a veto, because otherwise there will be no end to it, and the deficit will increase without a limit, because other cities in the U.S. are in the same position as Detroit. Moreover, Ford has vetoed a long series of budget items that were proposed by the Senate and the House of Representatives. This is his attitude, even if the Senate and Congress want to allot various amounts for purposes which they regard as deserving. Only at the beginning of this week, with the stubborn opposition of the Republican wing and the objection of Ford himself the House of Representatives decided on an additional \$ 2.2 billion for the creation of additional sources of employment. Ford was finally opposed, although this is an election year and the subject is popular, until the matter was forced upon him. But only after he had vetoed a long series of cuts. One has to see things in their proper framework, and one has to beware of unfounded claims and of castigating Ford as 'anti-Israeli'."
This is an utterly unfounded accusation, according to Max Fisher, who again



tells how Ford agreed, during the last meeting a fortnight ago, to study the matter again, although, to the best of his understanding, Ford had granted to Israel, within the framework of Foreign Aid, beyond all proportion - more than half of all the foreign aid that the U.S. is granting. Of course, he had heard of Kissinger's promises, and he understands Israel's needs and distress, he understands the feelings and worries of the Jews, but he also thinks that in all this exaggeration, which increases the tension, there is far more harm than is necessary for the debate of the subject.

I talk about Israel's sensitivity, particularly if things accumulate: there was an agreement, there were assurances, and all of a sudden U.S. planes are to go to Egypt, Scranton's serious speech, and now the cut of the interim budget. Max Fisher again wants to discuss every subject separately. "I am not prepared to tie it all together", he says. "Each subject has to be examined in its own right. After all, Israel received \$ 4 billion. It is true, Israel needs \$ 4.5 billion, but still, someone who gives four billion dollars cannot be regarded as an enemy", Fisher says.

Nevertheless, he hopes that the matter is not "closed" and that perhaps something can still be done. But even if he does not succeed, he is convinced that this is not the end of it, and if Israel gets into distress, it will be possible, even in the middle of the year, to find a way to help her. He did not elaborate.

Q. Jews in Israel are worried, they are apprehensive about what Ford's next term in office will bring (if he is reelected), particularly in view of his firm decision to act for the advancement of peace in this region, a matter which looks to many Israelis as an attempt to force Israel to a general withdrawal and to impose upon her the Rogers plan.

Fisher shakes his head in disagreement and tells me things which Ford

has recently said to other Jews about his policy, things that are "not for publication". One basic fact is prominent in all of them: Ford did not commit himself to Sadat, unlike Nixon, who had promised Sadat and Asad a total Israeli withdrawal during his visit to Cairo. Ford refrained from doing so, despite the fact that Sadat implored him during his visit to Washington. What Ford said was clear: the basis for settlements is S.C. resolutions 242 and 338. The final terms of the settlement will have to be agreed upon in negotiations between the parties. "This is the stand and this is the policy, and not even Israel can find fault in it" - says Fisher. "It is infinitely better than Nixon's stands."

As to the subject of the airplanes for Egypt, one can notice that Fisher feels uneasy because of all the hue and cry. He understands Israel's anxiety, but the great excitement appears to him somewhat exaggerated, particularly since Kissinger has made it clear that at this stage "there is nothing in the pipeline" and every additional proposal will be submitted for discussion to the Senate. And here Max Fisher adds: "He who wants to preserve relations of friendship and alliance between Israel and the U.S. must also understand the motivations and considerations of the U.S.; he must try to step into her shoes, must see not only Israel's interests, but also the more general interests of the U.S. in the Middle East and in the whole world, for otherwise no good can come out of it for Israel herself. The U.S. has vital interests in the Arab countries and she wants to consolidate her position there. One has to understand the Americans, and it is essential to act in those subjects in a balanced way and with a clear head, even if there are differences of opinion."

Q. When you travel around in the cities of the U.S. and recommend to Jews and non-Jews to vote for Ford, are you convinced that it is his



intention to hurt Israel severely? That he will not exert heavy pressure on Israel when he will want to impose settlements?

Max Fisher is convinced that he won't. "I am a Republican, and I am a believer in Ford's honesty. I understand your worries and apprehensions, but so far they have been revealed as unfounded. I am convinced that Ford will seek the furtherance of peace settlements, but this is also in Israel's interest. At any rate, he will certainly not exert pressure on her, and will not knock her over her head, as they imagine in Jerusalem. It is possible that difficult days are ahead, but I don't believe that it will come to such revelations as you have mentioned - heavy pressure, the cessation of aid, etc. It is a fact: Your arsenals are full and your defensive capacity is superior. The items of weapons are flowing to you at a faster rate or slower rate, but they keep flowing. At any rate, if President Ford has an opinion that is different from yours, he will tell you so frankly. He is an honest and straightforward man, he will not mislead Israel."

"There are, of course, problems", Max Fisher adds, "but it is important not to turn every revelation, every nuance, and every expression into a grave turn for the worse. It is both not correct and damaging as well. Take, for instance, the story about Ford's latest meeting with the Presidents' Club. There were those who discerned in his words signs of tension and dismay. I noticed nothing of the kind and half of those who were present think like me. He made it clear to us, in a relaxed way and in good spirits- what the main principles of his policy are. We were not glad when we heard about his clear decision to sell six planes to Egypt, but he wanted to make ^{it} clear to us that when he differs from us (garbled-...)...to interpret his stands incorrectly.. This is not at all a personal matter - even if Ford is angry and says something unpleasant, don't rush and interpret the remark as hostility.



He appreciates Israel more than you think, also because of the U.S. interest.

He says so openly and is even proud of it, so why the constant fuss?

Every subject and every stand must be examined in its own right, without

generalizations. When Ford says: "I will help Israel the way I helped her

in the past, more than any other ^{U.S.} President", he means what he says," Max

Fisher points out.

We returned to the matter of Scranton. Fisher does not accept his speech.

He feels the way we do in the matter of Jerusalem and is not happy about the

clearcut statement concerning settlements, but he wants to explain: "there

are quite a number of factors in Washington who interpret the matter of the

settlements as an expression of annexation and unwillingness to negotiate.

The U.S. Administration does not accept that. It has an international policy

and it wants to preserve and cultivate its ties with the Arab countries.

Israel must understand that. She must see the picture as a whole, for the

sake of her own interest. The draw the conclusion from Scranton's speech

that he is an enemy - this is a mistake, a grave mistake." And here Max Fisher

discloses that he himself had been one of the main recommenders of Scranton's

appointment to the post of Ambassador to the U.N., out of appreciation for

his warm relationship to the Jewish community in the U.S. and for Israel.

"And it will yet become clear to you that Scranton (garbled. at this point the paper does not print what will become clear. M.R.)

Max Fisher thinks that Ford has good chances of being reelected to the Presidency, and as a loyal Republican he seeks that reelection.

I ask again and again, if he does not share Israel's apprehensions, and he

replies that he believes that Israel will know how to defend her vital interests

and emphasizes that the support of Israel is not a matter for one personality.

"It is a matter that belongs to both parties, since the establishment of the State of Israel

The support of Israel is based on broad strata of the American public, way beyond what is known in Israel. "It is simply difficult to understand in Israel the extent of unanimity and sympathy in Congress and in the entire American people for Israel," says Fisher, and one can see that he believes every word he says. "With such broad support, Israel has no reason to be oversuspicious, as long as she knows how to preserve that support and demonstrates her desire to act for the achievement of peace settlements."

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The above interview includes most of Mr. Max Fisher's statements made on Radio and Television.

(M. RAVOR)

P/Fisher

22 Apr 76

P Tell me about your trip

F The underlying theme is a feeling for peace. This is ~~not~~ dig - that more & more are thinking of it. Take a man like Peco - he isn't nearly as hard lined as he was.

Rabin made American position clear to our people - he was very good in explaining our position.

(Shows a P. # - press clipping of his press statements)

P That is extremely helpful, Max.

F I told them ~~that~~ you had no tension about it - that they were creating a tension.

I talked to Rabin about settlements too. Said he should make issue broader. He said he had a religious parties on his neck. I told him it wouldn't go away & he certainly wasn't there w/c trouble on a W Bank.

What does this mean? My assessment is there is an evolution away from a hard line of Golda. It is just dig. If we can get them UNDOF & this financial thing, I think we will be all right. There is a good feeling toward Sadat & not even a ~~bit~~ bitterness now toward Assad - you know they think he has been pretty good in Lebanon.

I talked w/ Rabin about aid. He said he hadn't raised a TQ w/ you & you hadn't promised. He said what we really need was credits for aid on what we need in 78 & 79. I believe if you He says what he really needs is some money in a TQ for divorce payments.

P I don't want Jim Leger is talking about

S (Describes divorce payment, forgiveness, etc)

F I think that in this transition period to make



met on TQ Saturday

numbers 2-300 mil in credit tabs, it would help a lot. Wouldn't hurt a budget because it only down payment.

It may feel that w/in a next year there is a chance for a NE settlement. But in a Jewish Community these perceptions get around - and if there is some way to work this out that doesn't hurt your budget. Some mail credits would really get them out of a box + help perceptions

P We have done ~~the~~ preline. ~~is~~ seems to do 2 things - make some face saving for people who put in a 500 mil. + for me + my budget. Also, they really gutted me in other areas they have to find a way to restore some of that. The gov is on most of the items there is little for bet c Houses. Another area is a ~~to~~ with bill. We are looking at all that to see if there isn't something we can get in return for ~~the~~ leaving something in a TQ. We are exploring every legit oppo. to get out of this. I don't want a expectation, but the goal is how to get out of it.

F It isn't 500 mil + isn't an crisis. Robin says if he can just have some money for credit tabs.

P We are seeing what we can do.

F It ought to be structured in a way that you get a credit for it. I can do that for you.

P We have another part - Passman really struck his neck out for us. I can't tell you who telling Otto, I can't double cross him

F I just want to be able to say I checked



c T & w/you

P That was prob. It just that I do is a good friend of mine & of F.

F But I want you to get credit. There are so many hard times in Jewish County.

P You more than before elections?

F Yes. But I told them they could get a shock in a W/B ask elections.

I pointed out how much CVS had ~~been~~ done for I know politics.

In fund raising, a Jewish County did fine. We need to do more work with wealthy.

P Our parts are Ohio, Pa, N. York, Calif, Ill

F I am working on Ohio now. I said we need to target - big states, not little ones.

The question I keep running into is that you have written off a Jewish vote. You need to make a Jewish speech & have a forum. It is here & ~~there~~ Jewish County. Jackson is #1 ~~to~~ in a Jewish County

P Hill news - rampant

F ~~They~~ ^{they} comes in. Humphrey is next, but Carter will never make it w/c Jews. They wouldn't trust him. This is a important group & is a one for you 1st speech. If we can get a T & behind us this could be great to get these perceptions behind us.

The next thing is a Jewish press. I'd like to have some thing work w/ Ron Mason

P We meet w/ various press groups. What if we meet w/c Jewish press

F We are talking 40-50 at a outside. We did it under Nixon - brought them in for a day



- of helping, then have 4-5 in to interview you.
Then don't get sand bleed in to make with
stiff people

P The thing might be if Carter wins in Pa, we
solve it, if I might win in Texas, then
would be a right trial.

h Sanders, a liberal class, said to me if it
is Carter, you will do very well.

F That's right. And people see how much money
F has gotten over the last couple of years.
(Cheney comes in)

