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THE WHITE HOUSE

WASHINGTON

DECLASSIFIED Aliss/195), Department of State E.O. 12958, as amended Date: 10/11/2007

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

Sir John Hunt, Secretary to the Cabinet Sir Peter Ramsbotham, British Ambassador to the United States

Richard Sykes, Minister, Embassy of Great Britain Charles Powell, First Secretary, Embassy of Great Britain

Dr. Henry A. Kissinger, Secretary of State and Assistant to the President for National Security Affairs Major General Brent Scowcroft, USAF, Deputy Assistant to the President for National Security Affairs Helmut Sonnenfeldt, Counselor, Department of State Peter W. Rodman, NSC Staff

TIME AND DATE:

PLACE:

SUBJECTS:

Friday, April 26, 1974 1:25 - 2:45 p.m. (luncheon)

Eighth Floor Dining Room Department of State

Nuclear Release Agreement; Labour Government's Defense Review; UK Polaris Program; Diego Garcia; US-Soviet Threshold Test Ban; French Presidential Elections; Middle East; Washington Energy Conference

Omitted here is material unrelated to Diego Garcia

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Sir John Hunt: That covers the nuclear field. The other thing is Diego Garcia. The new government have not yet discussed this among themselves. Before I left I told the Prime Minister and Foreign Secretary that you would probably ask about that, so I asked what could I say. This is a difficult one. I think the Prime Minister wants to be helpful and reconfirm it. But there will be a fuss over it. Already a number of Indian Ocean states are complaining.

Secretary Kissinger: I know only one.

Sir John Hunt: We have had more than one.

Secretary Kissinger: Really?

Sir John Hunt: It is a minority government, and there will be an election soon. We would like to know, could it be delayed? What is the urgency from your point of view?

<u>Secretary Kissinger</u>: It is silly to put a \$35 million item into the supplemental aid bill. But I must tell you, the Navy and Defense Department are so eager for this that something that looks like footdragging will cause ill will.

The first problem is to get the money. That is our domestic problem.

<u>Mr. Sonnenfeldt:</u> To get the money will be a problem if your decision isn't made. The opponents will use that argument.

Secretary Kissinger: Is it knocked out of the supplemental?

General Scowcroft: No.

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<u>Secretary Kissinger</u>: If the budget category exists, it will eliminate some of the urgency in Defense.

<u>Sir John Hunt:</u> I cannot tell you that the ultimate decision will be positive because Ministers genuinely have not looked at it. I know the Prime Minister wants to be helpful. It would be better if the decision came in a few months.

<u>Secretary Kissinger</u>: In all honesty, if it were a negative decision you would pay a price out of all proportion. Defense is really concerned.

General Scowcroft: Yes.

<u>Sir John Hunt:</u> You saw the row we had over Chile, whether we should break the contracts over warships. They [the government] have stuck firm. But they are worried about another row while they are a minority government.

<u>Secretary Kissinger:</u> We will protect you. If there are two conditions: (1) That there are not too many statements that it is in doubt.

Sir John Hunt, Ambassador Ramsbotham: Yes, we will do that.

<u>Secretary Kissinger</u>: And second, if you can tell me the key Ministers will work for a positive decision. Schlesinger can talk to your man....

<u>Sir John Hunt:</u> It would be a great pity if the idea got out that there is disagreement over this.

<u>Secretary Kissinger:</u> I agree, but I do not think we can prevent Schlesinger from talking to your Defense Secretary -- or our Chief of Naval Operations will kill him. [laughter]

<u>Sir John Hunt:</u> He should give the arguments why it is important. But there should not be the appearance of confrontation.

Secretary Kissinger: Yes.

<u>Sir</u> John Hunt: If it matters to you, take the opportunity to make it clear to Roy Mason and anyone else. But if you can give us a few months to play this along....

<u>Secretary Kissinger</u>: We will do our damnedest. The only problem would be if Congressional action was stimulated by doubts about your decision.

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Sir John Hunt: That is the chicken-and-egg problem.

Ambassador Ramsbotham: We have to play this one very close together.

<u>Minister Sykes:</u> We were worried about this a few weeks ago -- that that argument would be made in the Congress. There were hints of it, but it was less than was expected.

<u>Ambassador Ramsbotham</u>: What about Senator Kennedy's proposal that first there should be an overture to the Russians? A self-denying agreement.

Secretary Kissinger: The Russians were mumbling something.

<u>Ambassador Ramsbotham</u>: Because that would have an appeal in the Labour Party.

Mr. Sonnenfeldt: Is there supposed to be another round of talks on this?

<u>Ambassador Ramsbotham</u>: John Thompson and Sy Weiss are going to get together on another issue.

<u>Sir John Hunt</u>: There is one question that I would like to ask about Diego: The Foreign Secretary wondered if it was a good idea to try to engineer some sort of Indian Ocean Conference, to convince Mrs. Bandaranaike and others that it is a good idea.

Secretary Kissinger: That is not a good idea.

Sir John Hunt: It wouldn't work.

<u>Secretary Kissinger:</u> My experience is the Indians will calm down very quickly, that we are paying no lasting price with them, and the time will come when they will be grateful.

General Scowcroft: But they can't say something publicly.

Ambassador Ramsbotham: The Australians too.

<u>Mr. Sonnenfeldt</u>: On those talks with Thompson and Weiss, we will see to it that our people don't badger yours on Diego.

Minister Sykes: I think Diego is a separate issue from what they're discussing.

Mr. Sonnenfeldt: Then we don't have to say anything to them.

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