

Scowcroft file

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Gerald R. Ford
Dr. Henry A. Kissinger, Secretary of State
and Assistant to the President for National
Security Affairs
Lt. General Brent Scowcroft, Deputy Assistant
to the President for National Security Affairs

DATE AND TIME: Thursday, January 9, 1975
9:28 - 10:20 a.m.

PLACE: The Oval Office
The White House

Kissinger: Dinitz said on background there will be no progress until I go to the Middle East. That is just what we told Sadat and it looks like collusion.

President: I said in the News interview that they must be willing to give up the passes.

Kissinger: They are moving. We don't want a formal proposal from them yet, since it would leak.

We have a SALT problem. [He hands the President a ticker item.]

President: This is what Schlesinger talked about.

Kissinger: This will be the focus of the Jackson hearing -- loopholes, sloppy drafting.

I am not sure we want to omit cruise missiles -- it leaves a huge loophole. It also could lead to a ban on ship-launched ones.

The best for us would be to have them only on aircraft.

SECRET/NODIS/XGDS

CLASSIFIED BY HENRY A. KISSINGER
EXEMPT FROM GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
EXEMPTION CATEGORY 5 (b) (1, 3)
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1995 UNCLAS. INFO. STATE DEPT. GUIDELINES, State Declassification/10/04
BY 144, NADA, DATE 5/10/04

President: [Described the Vladivostok discussion] My quick reaction is that it makes no difference.

Kissinger: Our record is ambiguous. Dobrynin says his record is ambiguous. But you can't put something over on them with a shyster trick.

President: If we review everything -- payload, etc. -- and decide after R&D maybe not to go into production....

Kissinger: Yes, but the major thing is to stop leaks like this. This will give Jackson the handle he needs. Schlesinger is also jumping on us on Israeli military supplies. He also wants to meet with the Jewish leaders.

President: Israel Miller said I have six months before they lower the boom on the Trade Bill. You were right.

Kissinger: The best thing would be for the Soviet Union to reject it.

President: I agree.

Kissinger: Fisher says Jackson would be a dead hero if the Soviet Union rejected the Trade Bill.

President: How soon will they act?

Kissinger: A couple of days informally; then we will go through the formality.

President: What should our posture be? Disappointment?

Kissinger: We should point out that we were warned all along the way. I think they will reject it.

How is the letter to Brezhnev?

President: Good. It is well written.

Kissinger: On PL-480, the major problem is handling the Humphrey Amendment. You can include Title II; Humphrey and Hatfield would consider this a breach of faith. You can stick to Title I, and drop the other countries, and you can add Vietnam. We would have to clear it with Humphrey.



President: Does Vietnam qualify?

Kissinger: It isn't on the UN list because it is not in the UN. I will bring the lists in tomorrow.

On Oman, we have almost no foreign policy interests there. But don't give him [Sultan Qaboos] the impression that we will abandon him if the British pull out. If the British pull out, we may even have to send some advisors.

President: I saw the map -- it's a God forsaken place.

Kissinger: It is the most backward country in the area. I don't know what you will talk about.

President: I notice Mexico is not joining OPEC now.

Kissinger: Probably in the late '70s oil prices will be so low we will have trouble maintaining investment in alternative sources.

The reason Schmidt is giving us a hard time is he has local elections coming up and he has to appear as a defender of his national interests.

President: I notice the papers are saying there is no difference between the two financial plans.

Kissinger: The British Ambassador said last night they could vote Witteveen without us. I said yes, but you can't make it work without us.

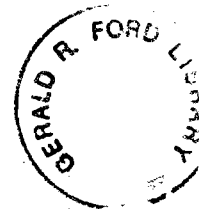
The French have played it straight since Martinique.

President: When is Shultz going over?

Kissinger: The end of January. He will meet with the Schmidt group and also see the Shah. The Shah said he is thinking about investing 10 billion here. We should nail that down.

I saw the Irish Foreign Minister yesterday. It will be a lively six months. He is fun. He said stay away from Kennedy; he is a menace and the Irish can't stand him. Don't support the IRA, and keep the British in -- otherwise it will be a bloodbath.

Burns will see Schmidt.



President: Did he talk about an economic plan?

Kissinger: He is worried. He thinks such a big deficit will dry up the capital markets.

President: I respect his judgment. But when you pin them down, they still want a tax reduction.

Kissinger: The Westinghouse pension fund is \$500 million short. If some of them fail, this could start a run. The same guy also said we should give a tax break for the purchase of durable goods.

President: I share Burns's concerns. But if confidence is restored, it should help.

Kissinger: Burns will do his damnest.

President: Right. We couldn't have a better man in that job.

Kissinger: He takes a long time to get to the point.

President: He's not as bad as Elliot [Richardson].

Kissinger: [Described the haggling over the announcement of his appointment as Ambassador to the United Kingdom].

President: He has no chance as a Presidential candidate.

Kissinger: The Nicosia meeting went well. The next one will be on the 14th.



P/K 10 Jan ?

Thursday
Jan 9, 1975
9:28-10:20 AM

K Dintz said on background no progress until 2 go to ME
That just what we told Sallat & it helps into well known

P I said in memo they willing to give up a paper.

K They meaning, we don't want a formal proposal
from them yet, since would help.

We have a salt problem (bunked tubes)

P This is what Schles talked about

K This will be a piece of Jackson bearing
logholes, sloppy drafting.

Not sure we want to omit cruise missiles -
leaves a huge loophole. Also could lead to loss
on ship launched ones.

Best for us would be have only one apt.

P (Discussion about discussion). Very quick reaction
is it makes no diff.

K Our record is ambiguous. Day says his record
ambiguous. But you can't put something over on
them w/ a slight trick.

P If we review everything - payroll, etc. - + decide
after R+D maybe not to go into production

K Yes but - major thing is to stop leaks like this.

This will give Jackson a bundle to work.

Schles is also demanding us on I rail supplies.

He also wants to meet w/ Jimmie Luchs.

P I recall Miller said I have to see before they lower
a boom on trade bill. You were right.

K Best thing would be for S to reject it

P Jayce

K Fisher says Jackson would be a dead end if
S rejected trade

P How soon will they act.

K Couple of days informally then we will go through formally

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E.O. 12958, SEC. 2.5

NSC MEMO, 11/24/00, STATE DEPT. GUIDELINES, State Rev. 05/31/04
BY 134, NARA. DATE 5/10/04



PK 480 } FY76 table
 } FY75 breakfast

P What should our posture be? Disappointment.

K We should point out that we warned (checked - steps). I think they will regret.

Here is a letter to Buz.

P Good. Well written.

K On PK 480 - the major problem is handling Humphrey amendment. You can include Title II, Humphrey & Hatfield would consider this a breach of faith. You can stick to Title I, & drop other countries, you can add Vietnam. We would have to clear w/ Humphrey.

P Does UN qualify?

K Don't on UN but because not in UN

I will bring bats in tomorrow

On O man. About no FP interests.

But don't give him an impression that we will abandon him if he pull out. If he pull out, we may even have to send some advisors.

P I saw a map of Godfather's plan.

K It most backward country in area
I don't know what you will talk about.

P Justice Mexico is not joining OPEC now.

K Peak is in late 70's ~~oil~~ oil prices will be so low we will have trouble maintaining investment in alternatives.

Reason Schmidt is giving us hard time is he has local elections coming up & he has to appear as defender of small interest.

P Justice papers are saying there is no diff. bet a 2 firm plans.

K But what said last night they could vote Witterman w/o us. I said yes, but you can't vote it w/o us.

The Fr have played it straight since Martinique.

P When should they go on.

K End of June. He will meet w/ Schmidt group & also see a Shuck. The Shuck said he thinking about investing 10 bil here. We should nail that down.

I saw Irish FN yesterday. It will be a liability to me. He is from. He said stay away from Kennedy. He wants to find out about him. Don't support IRA & keep a business otherwise a blood bath. Burns will see Schmidt

P Did he talk about a new plan

K He would. Think some big deposit will drop in a capital markets.

P I suspect his judgment. But when you pin them down, they still want a tax reduction.

K Westinghouse pension fund is 500 mil short. If some fail, this would start a run. Some guy also said we should give tax breaks for purchase of durable goods.

P I share Burns' concerns. But if confidence is restored it should help.

K Burns will do his document

P Right. We couldn't have a better man in that job.

K He takes on long trips to get the point.

P Not as bad as Eliot

K (descendant movement, etc).

P He has no chance as P candidate.

K Mission very well. Next one on 14th