

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS: The President
 Senator Henry Jackson
 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: Friday - September 20, 1974
 10:15 a. m.

PLACE: The Oval Office
 The White House

President: It's nowdown to the last stakes. I appreciate your letter and I have asked Secretary Kissinger to study your suggestion.

The practical problem we face as Americans is that we both want the Trade Bill and Jewish Emigration as high as possible. I think we face two alternatives; one is very good and one is very bad. The worst is if there is no Trade Bill -- we would not be able to negotiate with other nations around the world -- and to have Jewish emigration turned off. The best thing is the Trade Bill and emigration without harrassment with a friendly attitude from the Soviets.

Kissinger: And this you could confirm again with Gromyko.

President: I have had it from Brezhnev through Dobrynin and will do it this morning.

We would have the right to negotiate and to give them MFN without the uncertainty as to what Congress will do substantively and procedurally. But there are smart people up there who can use parliamentary details to stall things. Yours is complicated and highly technical and people would invariably take advantage of it.

The furthest I can go is to submit a report each year straight from the shoulder. If it isn't up to standard I will cut it off, but if I don't, Congress could come with an affirmative vote that the report is not adequate.

~~TOP SECRET~~ - X008 (2)
CLASSIFIED BY: HENRY A. KISSINGER



DECLASSIFIED
E.O. 12958, SEC. 3.5
NSC MEMO, 11/24/08, STATE DEPT. GUIDELINES, STATE v. CIA 3/19/04
BY: [redacted], NARA, DATE 2/20/04

Jackson: The ExIm Bank has passed the information around saying we can have credits without the Trade Bill.

To go back a moment, after I sent the letter I went to the Parliamentarian and I think I have a rascal-proof arrangement. I know your concern, and in the spirit of compromise I have drafted something. What this could change is to have our expiration date of April 1, 1976 -- that would give you a full 18 months. We have limited debate, etc., and provided for a final debate by which it must be voted up or down. This would force adjudication by the House and Senate. I think this would do it. Labor is out to kill the bill, and they will do it if we don't retain some authority.

The only other item is the length of time they can delay in "national security" cases. I would like to have it three years but I could go to four.

Kissinger: The Soviet Union has said it wouldn't be more than one percent of the total. I mentioned three years to them and they haven't answered.

Jackson: Let's leave it at three. I suggest we sit down and hammer out this draft. We must retain some authority. I've gone as far as I can. I am under pressure. I agree there must be a final date for action.

President: That gets back to this: If they modify the rules to accommodate this, they can change the rules back. I can't veto rules changes. I would have nothing to say about rules.

The Congress would have control under our proposal. They can move in in a set period to veto my recommendation. Look what happened yesterday on the pay matter. I want to make both Houses veto, but I will accept a one-House veto but can't accept affirmative action by Congress. That produces too much uncertainty and indecision.

To show our flexibility, I would accept a one-House veto. I am going a long way by this. Look what they did yesterday. This shows they can certainly do it on MFN. You can be guaranteed a veto and I will go half way and say only one House. This is an established procedure. Congress understands and accepts this way.

Jackson: I want to get it settled. Look at the Soviet Union running bulldozers through the art exhibit. I see trouble ahead on this. I see clashes, and the question of duress, and harassment. I see problems for both of us.



Kissinger: I agree with Scoop.

President: You could have a hell of a speech defending my plan and using the example of yesterday.

Jackson: We need more than one half the Congress on ExIm. We took away the veto.

Kissinger: The ceiling bothered us more than the veto.

Jackson: We really worked on this; we had a terrible time. We took out the veto. You have to submit it to the Senate. That veto really would have limited your flexibility. Another would have killed the whole thing. Schweiker wanted the going interest rate. The mood is bad and I must deal with it. What we need to finish in the draft is a final date certain. I see complaints that we have delegated our authority. It is a question of the will of Congress. I understand your position, but I think you are in need of having your hand strengthened by my proposal.

President: I don't mind the heat. I'll take it when I submit the report with my recommendation. Congress would keep control. Look at the pay thing. All I can do is recommend. Congress has negated what I proposed. This is an established procedure and it works. It guarantees a veto and, following this concept, insures that we don't put something over on you.

Jackson: Our concern in the Senate is retaining control. This would give an 18-month trial period; we have protected the credits, and I think we should give my plan a trial. We are so close to a solution.

President: I agree, and we could end up with the worst of both.

Jackson: The feeling on credits in this country is really bad; with the credit situation in this country. Word of the projects proposed would really rile the country. It cuts party lines across the board. The Soviet Union will get credits, and then this bulldozer thing.

Kissinger: You will see Schmidt offering large credits when he goes to Moscow.

Jackson: There is a gap between us and Europe. They can't get our technical forces in Europe.

President: I would hate to have this collapse over the Soviet Union and credits when we need it for broader progress. We can control the credits. Don't forget the Soviet Union can turn off emigration tomorrow.



Jackson: The Soviet Union is in deep economic trouble. We have the chips -- the gap between us in science, technology, and business management. It is terrible.

Kissinger: But that is not remedied by any amount of help. You know, their system requires them to specify production goals of, say, locomotives by weight or by number. They base everything on quotas, and so they produce as little as possible to keep quota low, and they stockpile materials.

Jackson: They still have terrible agricultural problems.

I have tried to get movement with this proposal. Let me think over the weekend if there is anything else we can do.

Kissinger: It would be good to do it while Gromyko is here.

Jackson: I hope we can act. We ought to act on Rockefeller too. We will, I hope. The House will.

President: Peter [Brennan] said he would do his best.

Jackson: I am trying to calm labor down. Meany and Abel are both up tight. It is a Commie issue. The clothing workers -- that affects Javits. They want a Congressional tether.

President: Why don't you take credit for having it so that it only takes action by just one House?

Jackson: That isn't really the issue. Most of them think the Soviet Union just can't do those things and they want a short string on it. I think we'll have problems -- not with people who get headlines -- but the little people.

President: But they can turn it on and off. They will be tough if one doesn't take some affirmative action.

Jackson: Tell Gromyko I played a key role in keeping out with the veto on credits. The credits are what matters -- MFN is just face. This gives you the opportunity to negotiate with the Soviet Union.

President: Please think it over. We have made a big concession.

Jackson: I think I have too. We will talk over the weekend.



- 1800 spin for Truman -
- 1200 for Wright -
Summit Thursday, Sat. ans on Friday.

Schro wants to call on
Personnel. 2

P/Jackson/PK
20 Sept

Transcribed
by PWR 10/7/74

Dear to best status. I appreciate your letter + asked K
to study your suggestion
The practical job we face as Amos is we both want trade
bill + Jewish immigration as high as possible.
I think we face 2 alternatives - one very good + one very bad.
The worst is no trade bill - not be able to negotiate w/ other
nations around a world - and to have Jewish immigration
traced off. Best thing is trade bill + ~~the~~ immigration w/o
harassment w/ friendly attitude.

R
P
And you could confer again w/ Gungles
hard hat from Biz then D + will do it this
morning.
We need report to negotiators + to give them ALL in w/o
uncertainty as to what Cong will do sub. + procedurally.
But there are smart people in there who can use
partisan strategy to stall things. Jones is
complicated + highly tech. + people would eventually
take advantage.

Further I can go is submit a report each year
straight from shoulder. If it went up to standard I
will cut it off, but if I don't, Cong can w/ an
appearance both a report not submit.

J
It has passed my annual saying ~~no~~ credits w/o
trade bill.
To go back a moment, after I sent a letter I went to
Parliamentarian + I think I have a verbal prop agreement.
I know your concern, + in spirit of compromise I
have drafted something. What this would do is have
an expiration date of Apr 1, 76 - that would give you
a full 18 mos. We have tried ~~to~~ debate, etc +
provided a final debate by which must be voted up
or down. This would force a judgement by a House
+ Senate. I think this would do it. Labor is not
the bill - bill + they will do it if we don't within
7 mos continuity. The only other item is length.



of time in security cases. I would like to have at 5 yrs but I could go to 4.

K SU said it would not be more than 1/3. I mentioned 3 yrs to them & they haven't answered.

J Let's leave at 3. I suggest we sit down & hammer out this draft. We must retain some continuity. I

found out the fees as I can. I would be pleased.

J I agree there must be a final date certain.

P That gets back to - if they meaningfully make the accommodations this, they can change the rules back. I can't wait rules change. I would have nothing to say about rules.

The long would have central make our proposal. They can move in in set period & veto any recommendation. Look at what happened yesterday on a pay matter.

I want to make both horse veto, but I will accept 1 horse veto but can't accept affirmative action by Cong. That produces a much uncertainty & confusion.

To show some flex, I would accept a one horse veto. I fear on long way by this. Look what they did yesterday. This shows they can certainly do it on MFR. You can be guaranteed on veto & I will go 1/2 way & say only one horse. This is estate procedure - Cong make plans & accept this way.

J I want to get it settled. Look at SU running bulldozers thru out split. I see trouble ahead on this - I see clashes, question of dues & harassment. I see probs for both of us.

K I agree w/ Scoop.

F You could make a ball of a speech describing my plan & using examples of yesterday.

J We need more than 1/2 way on X.M. as a talk away & veto.

K Casting ballot would be more than split.



J We really work on this; had a terrible time. We
took out a note - you have to submit it to Senate.
That note really would have limited your flex. Another
would have killed whole thing. Schmitt would going
contract note. The moral is bad & I must deal w/ it.

What we need to finish in a brief is a final dot certain.
I see ~~ways~~ ^{ways} that we have delegated our authority. It is
question of who of way. I understand your position but
I think in end you have strengthened my proposal.

P I don't mind a test - I take it when I submit a report
of recommendation. Congress would keep control - look at
a pay thing - all I want is recommend. Congress has
rejected what I proposed. This is an awful procedure
& it works. It guarantees a vote & following this
concept means we don't put anything on you.

J One concern in Senate is retaining control. This would
give us no trial, we have political credits, & I think we
should give my plan a trial. We are so close to
solution.

P I agree, & we could end my w/ waste a bit.

J The filling of credits in this country is really bad w/
credit sat. in this country. Word of a project proposed
really rich & country. It into party laws across a
board. SO will get credit & then this will do anything.

K You will see Schmidt offering large credits when he
goes to Moscow

J There is a gap bet us & E. I say can't get any
link from E.

P I would hate to have this change seen SO & credits
when we need it for broader purposes. We can control
credits. Don't forget SO & can turn off emergency
transfers.

J SO is already under trouble. We have a change - a gap in
subsidy, cuts, business ~~with~~ - might. It is terrible

K But that not remedied by any sort of help



(Stay on specifying locomotives by weight or #. They had
something on paper & they pushed as little as possible to buy from
them, they stockpile materials).

J They still have terrible eye problems
I have tried to get movement w/ this proposal. Let me think over
everything else we can do.

K Be good to do it while George's here

J Hope we can get - ought to be on Route 100. We will, I hope -
Kruschwitz.

P Peter said he would do his best

J I'm trying to - color looks down. Many, Abels are both eye
trouble. It is a common issue. Clothing makes - that
eye is faint. They want a long, tedious.

P Why don't you take credit for action by just one hand

J That isn't really issue. Just think ~~we~~ S U cannot do those
things & they want a short string on it. I think will have
problems - not w/ people who get headlines - but a little people.

P But they can turn it on & off. They will be tough if we
don't take some of geometric action.

J Tell George & played key role in keeping ~~and~~ out
with on credits. Credits is what matters - MEX is just
force. This gives you a effort to negotiate w/ S U.

P Please think it over. We have ~~can~~ made a big concession

J I think I have too. We will talk over the weekend.

