

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, August 7, 1975  
 9:30 - 10:21 a.m.

PLACE: The Oval Office  
 The White House



Kissinger: The argument is that their pushing to get out of Vietnam keeps me from getting us back in. They are spreading the rumor that I wanted to use the Nixon-Thieu letters to force you to get us back into Vietnam.

President: We have a serious problem with the East Wing. Nancy Ruwe just can't get along with the East Wing, so I have to let her go. I have got to find a place for her.

Kissinger: Maybe we can take her back. The problem is that Lucy Winchester has her job.

President: That would be good if you could.

Kissinger: Zarb and Greenspan are dragging their feet on the Iranian oil. I had a scenario ready and I have to get an answer to Ansary today. I have no doubt that they will approve it, but they want to prove their manhood. I would like to tell Ansary and you can rescind it tomorrow if you want.

CLASSIFIED BY HENRY A. KISSINGER  
 EXEMPT FROM GENERAL DECLASSIFICATION  
 SCHEDULE OF EXECUTIVE ORDER 11652  
 EXEMPTION CATEGORY 5 (b) (1, 3)  
 AUTOMATICALLY DECLASSIFIED ON Imp. to det.

SECRET/NODIS/XGDS

DECLASSIFIED  
 E.O. 12958, SEC. 3.5  
 NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
 BY MA, NARA, DATE 5/24/04  
 5/23/10/04

President: Tell Ansary to go ahead. Let me have a copy of the letter.

Kissinger: They will go along.

On the Soviet deal. It amounts to 100-150,000 barrels of oil per day or 5 million tons per year. Robinson has worked out a swap deal of grain for oil. But if we can get the oil at 25% below the market, I think we should forget a swap and just buy the oil and sell the grain. Greenspan thinks the idea has merit.

President: Is there any way we can put all the issues with the Soviet Union together and discuss the whole thing with them -- Portugal, grain, oil, SALT, MBFR, etc.?

Kissinger: I think Portugal is not a Soviet issue. It wouldn't go away if they stopped putting money in.

President: I agree with you on that.

Kissinger: They are willing to make a five-year grain deal. If we could get a 10 million ton oil deal, we might do it. But I don't think the Soviets have it to sell.

President: A SALT, oil and grain deal would be helpful. Also, MBFR.

Kissinger: On SALT, you will have to get Schlesinger in line.

I can't be the soft-on-Communism patsy.

President: I will call Schlesinger today.

Kissinger: I think if we somehow trade off the Backfire and cruise missiles....

I plan to get Dobrynin in tomorrow and scare the pants off him. But if all these hot shots think they can keep kicking the Soviets in the pants and keep peace.... Being a cold warrior in a time of peace is no great achievement. Brezhnev came back from Helsinki humiliated.

President: That is good for my American Legion speech. I told Bob to discuss it in detail with you.

Kissinger: We should review it in detail. There is an NSC meeting scheduled for Saturday. No particular reason for one, except to lay down the law.

President: Is it better to tell Schlesinger privately or in the NSC?

Scowcroft: There is merit in doing it in front of the Chairman. It gives him a chance -- if he is inclined to stand up to Schlesinger.

President: Let's have one.

Kissinger: Sum up, but say that to get a deal we need a new position on cruise missiles and Backfire.

The Israelis are leaking everything we gave them on Tuesday. It is hard to see how it can fail, but they are making it as tough as possible. If we get it, it's because Sadat is a great man. I think if we don't settle by the end of August, we should break it off and go for a comprehensive.

President: Let's press on. I am fed up with them.

Kissinger: Turkey is going very badly. Demirel is decent but Ecevit is demagoging. I am not sure they want to settle Cyprus and go after us. It looks like they maybe did make progress on Cyprus.

It is just as well we stay out of Cyprus. If the Greek-Americans scream about the settlement, we can say we could have done better.

I am worried about the Turkish domestic politics. I think it is too much to call Congress into special session, but we need a vote in the first week.

President: A special session would get Albert mad. It is not worth it.

Kissinger: You know my strategy for the UNGA Special Session. The specific issues will be presented at Vail. There are right now no big issues in the bureaucracy, but some will develop. One minor one is on the earnings stabilization fund. H\_\_\_\_\_ was in last year to see you and gave the impression we could fund it simply by reprogramming. That won't work because we won't get OPEC money that way. We will need \$200 million and Lynn doesn't like that. We would also want to make one commodity deal, simply for the politics. I don't know what yet, maybe copper.

On Panama, Defense is now on board. Clements and Brown have put together a land and water package. They want to go down right now.

I wouldn't do that. But send Torrijos a letter saying Bunker will resume negotiations in September. Send Clements and Brown down in September so it will look like we are getting ready to do things. Is that okay?

President: Yes.

Kissinger: You know we have been talking with the Cubans. You know we said we are willing to move on the basis of reciprocity. I said we would get in touch with them, but I have now said the next move is up to them.

President: I saw the Southern Airways going down to pick up their money.

Kissinger: Maybe I could meet with the Foreign Minister if he comes up for the UN session.

President: It would be all right if they have made some moves and if you do it privately.

Kissinger: It might leak.

President: Maybe not. They have been good so far, but it would be better if it is private.

Kissinger: The other issue is third-country trade with Cuba. We now have little reason for it. We could either change the rule or grant item-by-item exceptions. There are 21 pending.

President: Can we do it without fanfare?

Kissinger: There will be some.

President: I think it is better to change the rule than do it one by one.

I am going to be interviewed by Public Broadcasting System. I want to say something about CSCE.

~~General - 2/25/43~~  
~~Get Daily messages start out in to be.~~

40 South Friday

JPK 7 Aug 75

K. The argument is that them pushing to get out of OIL keep  
one from getting us back in. They speaking a  
rumor that I wanted to see a high - thin letters to  
force you to get us back into OIL.

P. We have a serious part w/ E. Wang. Wangy Rumb  
just can't get along w/ E. Wang, so I have to let  
her go. Got to find a place for her.

K. Wangy we can take her back. But is Wangy Wang  
has her job.

P. That would be good if you could.

K. Zant & Grayson are dragging their feet on a  
Iran oil. I had a memo ready & I have to  
get a ~~letter~~ <sup>memo</sup> to Ansary today. I have no doubts  
they will approve it, but they want to prove  
their ground. I would like to tell Ansary that you can  
rescind it tomorrow if you want.

P. Tell Ansary to go ahead. Let me have a copy of letter

K. They will go along

Once we deal. It wants to 100 - 150,000 / day. <sup>to mitigate</sup>

Rambler has worked out a swap deal of grain  
for oil. But if we can get oil at 25% below  
a market, I think we should forget a swap & just  
buy oil & sell grain. Grayson think a  
deal has merit.

P. Is there any way we can put all the issues w/ a  
SC together & discuss a whole thing w/ them - Perhaps,  
grain, oil, salt, Mby, etc.

K. I think that is not a SW issue. It would be a  
if they stopped putting money in.

P. Degree of you on that.

Routeposition can differ

K They willing to make a 5% gain deal. If we could get a 10 mil tur. oil deal, we might do it. But I don't think anyone here has it to sell.

P A Salt, oil & gas deal would be helpful. Otherwise

K On Salt, you will have to get Schlo in line. I can't be a septon loan factory.

P I will call Schlo today.

R I think if we somehow transfer a Banker + cruise missiles.

I plan to get Berg in tomorrow & discuss a part of him. But if all these hot shots think they can keep backing - I'm in a ~~good~~ <sup>good</sup> position & they will. Being a cold warrior in a time of peace is no great achievement. Berg came back from Helsinki humiliated.

P That good for my own business speech. I told Berg to discuss it in detail w/ you.

R We should review it in detail. There is an NSC meeting for Sat. No particular reason for one, except to lay down a

Sum up but say to get a deal we need a new position on C.M. + before

P Is it better to tell Schlo privately or in NSC

S There is merit in doing it in part of Chrusch. It gives him a chance - if he is inclined to stand up to Schlo.

P Lets home and

K 7

The I see looking every thing we gave them out there. It is hard to see how it can fail, but they are making it as tough as possible. If we do, Schlo

\*\* GO A-7s - why delimit to house right now -  
- TEMP Pentagon is shutdown -

is a great man. I think if we don't settle  
by end Aug <sup>we</sup> ~~you~~ should break it off and go for  
comprehensive.

P. Let's pass on. I am fed up w/ them

K. Turkey is going very badly. Demirel doesn't but Ecu  
is damaging. I not sure they want settle  
Cyprus & go after us. It looks like they may be  
really & make pay on Cyprus.  
It just as well we stay out of Cyprus. If C Bank - Ann  
dramatic settlement we can say we could have  
done better.

I am worried about domestic politics. I think  
it too much to call Cong with special session  
but we need a vote in a next week.

P. Special session would get almost mad. It not  
worth it.

K. You know my strategy for spec. session. The  
specific issues will be presented at Usil. There  
right now no big issue in a bureaucracy, but  
fiscal will delay. One main one is on the  
— fund. House was in last year to see you  
& gave impression we could fund it singly  
by reprogramming. That won't work cause we  
can't get Opl money that way. We will need  
\$200 mil & Lyons doesn't like that. Ben Chas  
want to make one credit deal, singly for politicians.  
Don't know what yet, maybe Cyprus.

O in Panama, Defense is now on board. Clements  
& Brown have put together a land & water package.

They want to go down right now. I wouldn't do that, but send Foreign a letter saying Banker will resume report in Sept. Paul Clements/Brown down in Sept so it will look like we getting ready to do things. Is that OK?

P Yes

K You know we have talking w/ a Cuban for some we said we wanted to move on basis of reciprocity. I said we could get in touch w/ them, but I have now said not more w/ them.

P I know Southern Airways going down to pick up their money.

C Maybe I could meet w/ them if he comes by for UN session.

P Be all right if they have made some moves you do it private.

K Wright leak

P Wright not. They been good to for last letter if it private.

K The other issue is 3rd country trade w/ Cuba. We now have little reason for it. We could either change a rule or grant items by item exceptions. There are 2 pending.

P Can we do it w/o fanfare.

K There will be some.

P I think it better to change a rule than do it one by one.

I going to be interviewed by PBS. I want to say something about CSE.

