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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~SECRET~~/NODIS/XGDS

DECLASSIFIED
E.O. 12958 (as amended) SEC 3.3
MR # 09-119-#7

DATE REV 3/2/09, DOE/EL 9/23/09, NSEC/EL
By ~~del~~ ~~DOA~~ Date 5/5/10 4/2/10

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
President Valery Giscard d'Estaing, President of the French Republic
Dr. Henry A. Kissinger, Secretary of State
Brent Scowcroft, Assistant to the President for National Security Affairs
Jean Sauvagnargues, Minister of Foreign Affairs
Amb. Kenneth Rush, U.S. Ambassador to France
Amb. Jacques Kosciusko-Morizet, French Ambassador to the United States

DATE AND TIME: Tuesday, May 18, 1976
10:15 - 11:49 a.m.

PLACE: The Oval Office

SUBJECTS: Rambouillet II; Lebanon; Djibouti; Nuclear Non-proliferation

Ford: I thought we might discuss further the idea of a second Rambouillet. I have asked my people to say just what might lend itself to a substantive outcome. North-South relations would certainly be one, to include your African initiative, and other topics. [He reads the topics from the draft talking points at Tab A]. The way we did it the last time was for the private group -- George Shultz for our side -- laying out the details. For us, the results of Rambouillet I were very good and I have that impression from the others. I think the same thing could ensue from a follow-on meeting.

Giscard: I think there are two general items which could be discussed. (1) What will be the general attitude in a period of renewed economic activity and toward inflation. It would be interesting. I don't know whether we could find practical solutions but it would be a useful discussion. Also, it is useful to have a discussion of the North-South



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CLASSIFIED BY HENRY A. KISSINGER
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dialogue. We can't accept the demands of the developing countries, but there is still a large gap between your position and ours and the developing countries. I don't know whether you are ready to advance in this field.

Kissinger: All the advances we have made have been through the President's intervention with the economic agencies. Otherwise the movement is marginal. Therefore a conference would help us internally to get motion.

Ford: We do have internal differences and the pressure of having to have a position facilitates movement.

Giscard: We shouldn't get too technical, but we are thinking of things like a research institute to look into commodities arrangements, and perhaps a fund which would finance stocks. The developing countries want to go farther -- to a single fund managed by themselves. But a mixture of your ideas and ours might work. I would center it on Nairobi rather than the North-South dialogue, because of the participants. I think George Shultz should look at the substance of a possible communique as he makes his travels.

Next is the question of the time and place. Both Helmut [Schmidt] and I are coming to the United States and it would look awkward for us to come back here again so soon. Helmut suggested meeting in Germany, but I am against that. It would get into their election campaign. Perhaps an island in the Atlantic or in Scotland or Ireland. It would be difficult to come to the United States again so soon.

Ford: We have been thinking of the last part of June. It would be difficult for me as we get into July. We have been thinking of here, but not in Washington or Camp David. Someone mentioned Bermuda.

Giscard: Or the Virgin Islands or some place in the Caribbean.

[Discussion of some spots.]

I think somewhere in the Caribbean would be fine. The end of June is a lousy time for all of us. I am going to Great Britain and I have to leave on Friday morning, the 25th. I should really go back to France on the 1st. How about July 1 and 2? That would give you one day before your festivities.



Ford: I probably can do that.

Scowcroft: I will look into it.

Giscard: Then the question of participants. Japan I assume would be there. Then the issue of Italy and Canada. We would not stand in the way on Canada.

Ford: If we held it in this hemisphere, we feel it is best to have Canada.

Giscard: Let us start with Italy.

[Discussion of why Italy was invited to Rambouillet I and where they will be with their elections.]

If Italy does not come, I think it would be hard to have Canada.

Ford: I see that problem, but since Italy will be a big topic of conversation, it might be best to have them present.

Sauvagnargues: It depends on the outcome of the election.

Ford: Yes. There may be discussions that they should not attend. Arthur Burns called me this morning. He had met with Schmidt, who proposed a meeting among France, Germany, and the US to propose consortium loans to Italy if they didn't go Communist and we would state they'd get no loan if they did. I thought I should mention it because it relates to this discussion.

Sauvagnargues: It is impossible without the British.

Giscard: We can make hints about such a thing. It must be known by the Italian voters, but in a very discreet way.

Ford: It might backfire otherwise.

Giscard: But it would be difficult to have the Italians present if the Communists increase their strength or stay the same. I suggest we have only the normal five. If there is some reason to have Italy to explain its case, we can ask them at the last minute.



Ford: If we don't have Italy, it is easier to leave out Canada.

Kissinger: If Canada comes in, the British will press for the EC President. That would, by happy coincidence, be Den Uyl.

Ford: Puerto Rico might be very good. There is a new hotel.

Giscard: It is a question of facilities. Send George Shultz around. Pierre-Brossolette is our man.

On Lebanon, our man is waiting to see Sarkis. We do not in any way support Frangieh. He is a foolish man who has done harm.

Sauvagnargues: Our Ambassador has gone two times to Frangieh to make that clear. There can be no doubt whatever.

Giscard: Perhaps we could have him go to Sarkis to try to accelerate the process.

The next issue is intervention. It is a question of sending a few thousand troops if we are asked by the Lebanese authority and if they would be useful. They would go only if Sarkis asked. We would have to avoid the impression of collusion among the US, Syria and France. We must remain in a more balanced position. We have some modest Iraqi support and some Egyptian support. We can keep this only if we demonstrate balance. So Gorse will go to Egypt and Iraq to maintain this contact.

Ford: What is the reaction of Asad to what you have in mind?

Giscard: At the beginning, they wanted a joint French-Syrian action. Now they are more reserved because they are afraid it might weaken the Syrian position. We would have to be careful about that.

Kissinger: We first thought it would be good to have the Syrians clean up on the left; we were then afraid that they would then clean up on the Christians.

One can conceive of your force in two ways: one is to limit the gains of any one faction there; or to be a stalking horse for the Syrians. The Syrians may want to match your force. Yours could leave sometime, with then Syria left in control. The Israelis are already suggesting there is a French-Syrian collusion to get massive Syrian troops into Lebanon.



Sauvagnargues: The force would be in Beirut and as a buffer to the South.

Kissinger: The Syrians would not be allowed to introduce matching forces? You would be, as I understand, partly protecting the left from the Syrians.

Sauvagnargues: It is to keep all forces separated.

Giscard: We need to talk to Sarkis and the Egyptians. We will let you know before we do anything. It will take several days.

Kissinger: It would be very helpful if we could get an explicit statement that this wouldn't import Syrian forces. Otherwise we would have Israel and the Jews all over us.

Ford: Would you discuss Djibouti?

Giscard: We are seeing a sort of peaceful invasion by the people of Somali and Ethiopia for whom it is a kind of paradise. We are being asked to avoid leaving the area, especially the port facilities, to the benefit of the Soviet Union.

We have a local government headed by a man called _____. We planned to make him the head of state, but the situation is getting out of hand. There is agitation against him led by the Somalis. Perhaps a coalition government is best. If that is not possible we could force the resignation of the present man. The Somali-supported forces would dominate and eventually it would be annexed.

Ford: Is it a viable state?

Giscard: No. There is nothing there. The other option would be to support the present government. There would be some violence then.

My preference is to give them the kind of government they want and just hold on to the naval base there. It would be irresponsible not to hold that.

Ford: One item I wanted to bring up again is the nuclear reprocessing issue. We would be willing to refuse reprocessing plants by all suppliers.



Giscard: France for years has wanted to develop its nuclear capability. When I came in I didn't know the situation. I do not want France to be the cause of nuclear proliferation. I resisted the sale of a plant to South Korea. If the question were open, I guess we would accept a ban on all reprocessing plants. The fact is we don't know the position of the other suppliers -- especially Germany. It is curious to see the way the Brazilian deal was done. Even the normal controls were not accepted. There is not a very clear line between the reprocessing plants and institutes of research. Some of the research results in plutonium. I think we need to go more deeply into the problem. One may be as big a problem as the other.

The Shah seems to be making a big issue of his request. Iran says it doesn't intend to build a nuclear bomb. I presume they are sincere.

Kissinger: It is irrelevant what they now say.

Giscard: If they are building a number of nuclear plants, they do have a need for reprocessing. It is a difficult question here. And they say they have a German and a US offer.

Kissinger: No. Not from us. The German aspect could be. It is an option to build one if it appears needed over the next 10 years. We don't like that. We originally thought we could support regional plants. That looks more dubious now and we would prefer no plants at all.

Sauvagnargues: Is there a German offer of a reprocessing plant to Brazil?

Kissinger: No, not specifically.

Our common studies indicate that the sale of reprocessing plants should stop. And Congress may prevent us from providing enriched uranium in dealing with countries that are selling reprocessing plants. That would be a very bad situation -- Congressional legislation against our allies.

Giscard: That wouldn't hurt us. We are self-sufficient.

Kissinger: It would be counterproductive; it would induce other countries to build enrichment facilities.



Giscard: Politically and for our own sake, I will study this issue. I have it under review now and I am not satisfied with the answers yet.

Kissinger: Could we have some bilateral discussion on it before putting it to the wider group -- the difference between reprocessing and research institute?

Giscard: We should study the Iran case to see what kind of guarantee of supply we could give them.

Kissinger: Could we each designate someone so we are not competing with each other?

Giscard: The Iranian matter is a difficult one.

Kissinger: We have not agreed with Iran, but we think they are so confident they can get the plant in Europe that they are accepting whatever restrictions we ask.

Giscard: There is for the future the question of stopping the transfer of reprocessing plants.



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Used by President as Talking Paper
with Giscard
5/18/76
14

Specific Results of Proposed Summit Meeting

A central focal point of a summit discussion would necessarily be the problem of Italy. It will be a prominent issue over the next several months because of the political and economic implications of what happens there, especially their significance for the future of the European Community, the Western economic system, and the Western political and security system. One objective at the summit would be to find ways of minimizing the potential damage from possible adverse developments in Italy, and maximizing our efforts to help Italy move in constructive directions. This could include an effort to be supportive of the Christian Democrats in the immediate post-election period. It would also include consideration of the sorts of fiscal and wage stabilization measures we should encourage Italy to take to stabilize the growth of government expenditures, reduce the relative share of consumption in GNP, and thus make room for faster growth of investment and exports to support these efforts, and consideration of what assistance the western democracies can provide to support an effective stabilization program, and what role the IMF can play.

However, because a discussion of the Italian problem does not lend itself to publicity, efforts should be made to avoid portraying the summit as a meeting focusing on the Italian situation. Therefore, we

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BY NARA DATE 7/26/04

must attempt also to achieve concrete results on a list of items which do lend themselves to public focus and which are also intrinsically important to the industrial democracies. This list of specific results could include:

North - South Relations

Agreement on industrialized country strategy for the second half of the Conference on International Economic Cooperation. This could include a marriage of the French approach to commodity buffer stock financing and the American approach to resources development, a common approach to the future role of the Energy Commission of the CIEC, and means of improving technology transfer drawing on the French and US UNCTAD initiatives.

An African Package

Agreement to proceed on an African aid effort. The summit could support a broad approach to African aid, including improved donor-recipient, multilateral-bilateral aid coordination. It could provide a focus on the main priorities such as the transportation network in Southern Africa, the Sahel, and countries of highest political and economic significance.



Trade

Agreement to reinforce the Rambouillet and OECD pledges to avoid restrictions on imports, to work toward a constructive tariff cutting formula in the MTN containing an important harmonization element and aiming at a significant reduction in duties, to uphold the common commitment to the basic tenets of an open and nondiscriminatory trading system as contained in the GATT, and to undertake a more intensive process of consultations among the major industrialized nations in order to avoid and manage problems which might weaken the system. Privately, agreement might be reached on how to deal with the possibility that Italy will impose import restrictions which violate GATT and EC rules.

Medium Term Growth Strategy

Agreement on a strategy for stable economic expansion. Most industrialized democracies are now moving from recovery to expansion. The Rambouillet summit contributed to a more favorable economic climate and improved confidence, thus helping to facilitate the present economic upturn. As industrialized nations move to economic expansion, however, they will need to resist pressures for excessive stimulation in order to avoid its inflationary consequences. Thus while working to ensure expansion by all industrialized nations at a sustainable rate, they must also cooperate to avoid overexpansion. This subject will be discussed at the OECD



Ministerial Meeting on June 21-22. Agreement could be reached at the summit on an approach which gives political sanction and impetus to agreement reached at the OECD.

International Financial Issues

Agreement could be reached on ways to deal with acute financing problems, including an approach to the LDC debt issue which avoids a generalized rescheduling but which examines the problems of each country in relation to its specific position and needs. The anticipated problem of Italy's repayment of its short term debt would be examined including its impact on financial institutions in other countries; and means would be sought by which Italy and the industrialized nations can manage the problem in a manner consistent with sound financial practices and Italy's particular economic and political requirements.

The European Community

Agreement on the economic and political significance of a strong and prosperous European Community. While there might be some reluctance on the part of European leaders to discuss Community issues in this context, there might be a discussion of ways in which Europe could evolve over the next several years and how the other industrialized nations might be most supportive of Europe's efforts. There might also be a discussion of how stringent internal measures in Italy might affect the European Community, and how the Community, and the industrialized nations in general, should react.

Investment Issues

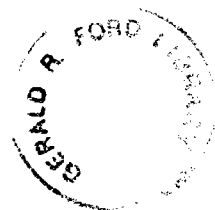
Agreement on means of extending the investment package to be adopted at the OECD Ministerial to deal with such problems as bribery and to encourage an improved framework for the settlement of international investment disputes.

Energy

Agreement to continue intensified energy cooperation among the industrialized democracies through strengthened technical and research cooperation, strong conservation efforts as demand increases with the pace of economic recovery, and increased efforts to encourage energy development in Third World non-oil exporting nations.

International Institutions

Agreement to identify possibilities for combining or eliminating international institutions in order to avoid duplication or redundancy.



list of earth systems.

J.P. Gasiard
18 May 16

10¹⁵ - 11⁴⁹
K Jan 2007

P I don't see any great business further back. I have asked my people to say just what might land itself to a sub-venture. N-S relations would certainly remain, & perhaps for open initiatives, (reads a topic from sheet) The way we did it last time was for a joint group - shortly from now - laying out details. For us, the results of Romit were very good & I have that impression from others. I think a some thing could move for a fallowen

K I think there are 2 general items which need be discussed. (1) What will be a gen attitude in a period of reduced econ activity & toward expansion. It would be interesting - I don't know whether we could find practical restrictions that would be useful discussion. Also careful to have discussion of N-S changes. We can't accept demands of a developing countries, but there is still a large gap bet your position & ours & a developing countries. I don't know whether you are ready to advance in this field.

K All the advances we have made have been thru a P intervention w/c econ agencies. Otherwise a movement is marginal. ∴ a world helps internally to get motion.

P We do have internal differences & the presence of having to have a position facilitates movement.

G We shouldn't get too technical, but are thinking of things like a research institute to look into conditions arrangements. Perhaps a fund which would finance studies. The developing countries want to go further to a single fund imp'd by themselves

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By dat NARA Date 5/5/10



But a mixture of your idea + ours might work. I would like it on Naviti - within the N-S so obvious, because of participants.

I think Shultz should brook a substitution of a possible commission as he makes his travels. Target is a question of a time + plan. Both Kalmat + I are coming to U.S. + it would look awkward for us to come back so soon. Kalmat suggested Germany, but I am against that. It would get into their election campaign. Perhaps an island in Atlantic or in Scotland or Ireland. It be diff. to come to U.S. again soon.

P We been thinking of last part of June. It be diff. for me as we get into July. We been thinking of here, but not in Washington or C.D. Someone mentioned Bermuda.

G On Virgin Islands or someplace in Caribbean

(Discussion of some ~~spots~~ spots)

I think somewhere in Caribbean would be fine.

The end of June is busy time for all of us. I going to G.B. to leave Fri. morning 25th. I should really go back to Fri. 1st hour about July 1 + 2. That would give you one day before your festivities.

P I prefer come on idea that

S I will look into it

G To have a position of participants. Japan + someone would. Then the issue of Italy + Canada. We would not stand in a way on Canada

P If we held it in this hemisphere, we feel it



best to have Canada.

G Let us start w/ Italy.

(Discussion of why ~~Canada~~ Italy was invited to know I & where they will be)

If Italy does not come, I think it would be hard to have Canada.

P I see that point, but since Italy will be big topic of conversation, it might be best to have them present

Sam Depends on contours of a letter

P Yes. There may be discussions they should not attend. Barros called me this morning. He had met w/ Schmidt, who proposed a very strong EC, Gen, US to provide insurance loans to Italy if they didn't go to Court and state no loan if they did. I don't I should mention it because it relates to this area.

Sam Impossible w/ a C.R.

G We can make hints about each other thing. It must be known by a Station writer, but in a very discreet way.

P It might be before otherwise

G But it would be chif. to have Italia's if Courts increase strength or stay same.

I suggest we have only a normal 5. If there is some reason to have Italy to explain its case we can ask them at a last minute

P If we don't have Italy, it seems to cement Canada

K If ~~the~~ Canada comes in, C.R. will press for a EC Pass. That would be happy ~~announced~~ by Dan Uyle

P Puerto Rico might be very good. There is



a new hotel.

G It's a question of priorities. Small shrubby around.
Bussolth is our man.

On Lebanon, our man is writing to al Sarkis.
We do not in any way support Franjia. He is
a foolish man who has done harm

Sam Our Arab has gone 2 times to Franjia to make that
clear. There can be no doubt whatever.

G Perhaps we could have him go to Soubis to try
to accelerate process.

The next issue is intervention. It's a question
of sending — troops if asked by Lebanese
authorities & if they would be useful. Would go only
if Sarkis asked. We would have to avoid impression
of collusion among US, Syria & Fr. We must
remain in a more balanced position. We have
some modest Iraqi support & some Fr support.
We can keep this only if we demonstrate balance. So
Gense will go to E & Iraq to make this contact.

P What is the reaction of Assad to what you have in mind.

G At best they would be a faint Fr-Syrian action.
Knowing we are more reserved because they fear
it might weaken Syrian ~~as~~ position. We
would have to be careful about that.

K We ~~are~~ that it is good to have Syrians clean up
our left, and feared that they would then clean
up our Christianism.

General concerning your force in 2 ways:
to limit a variety of any one force faction there;
to be staying house for Syrians, ~~you are~~ The
Syrians may want to match your force.
You would have something w/ them Syria



in control. The I am already suggesting
there is a Syrian collusion to get massive
Syrian troops into Lebanon.

Sam The force would be in Beirut & as long as it's small.

K The Syrians would not be allowed to ~~act~~ introduce
military forces? You would be, as I understand,

G To partly protecting a ~~small~~ left flank of Syrians.

Sam To keep all forces separated.

G We would have in mind withdrawing as soon
as a Lebanese security force is created. We would
think perhaps by end of a year.

K How can we check ~~to~~ E? It should be played out
then as a way to ~~bring~~ limit the Syrians, not to
bring them in.

G We need to talk to Larkins & the Syrian E. We will
let you know ~~not~~ before we do anything. It
will take several days.

K It would be very helpful if we could get an
explicit statement that this would not be Syrian
forces. Otherwise we would have I + Jans all
over us.

P Would you discuss Djibouti

G We are seeing a sort of playful invasion by
people in Somali & Ethiopia for whom it is a
kind of paradise. We are being asked to avoid having
a ~~convoy~~ ^{help the port facilities} ~~convoy~~ ^{inlet} of a SU

We have a local govt headed by a man called
We planned to make him a head of state, but
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against him led by Somalis. Perhaps a coalition
govt is best. If that not possible we could force
cessing of present invasion. Then Somali suggested



force would demonstrate & eventually it would be annexed

P Is it a viable state

G No. There is nothing there.

The other option would be to support a present govt. There would be some over time there.

My ~~main~~ preference is to give them a kind of govt they want & just hold on to a small base there. It would be irresponsible not to hold that.

P One item I wanted to bring up again ~~was~~ ^{is} a more reprocessing issue. Who would be willing to reprocess reprocessing plants by all suppliers.

G Fr. for years has wanted to change its inc.

cap. When I came in I didn't know so.

I do not want Fr to be a cause of more prolif.

I resisted a sale of a plant to S. Korea.

If question were open, I guess we would accept a ban on all reprocessing plants. ~~but~~ The fact is we don't know a portion of other suppliers - esp. Germany. It curious to see a way a Brazilian deal was done. E more normal controls were not accepted.

There is not a very clear line bet reprocessing plants & ~~reprocessing~~ institutes of research. Some of research results in plutonium. I think we used to go more largely into a path. One way be as big a part as another.

The Shah seems to be making a big issue of his request. Iran says it doesn't intend to build a new bomb. I presume they are sincere.

K It irrelevant what they now say.



G If they are building a # of true plants, they do have a need for uprossing. It is a big question here. And they say they have a German & a US offer.

K No, not from us. The German aspect could be. It is an option to build one if it appears needed over a next 10 yrs. We don't like that.

We orig. that we would support regional plants, that looks more dubious now & we would prefer no plants at all.

Sam Is there a German uprossing plant offer to Brazil?

K ~~Yes~~ No, not specifically (??)

Our ~~own~~ ~~plants~~ indicate that a sub of uprossing plants should stop. And Cong may prevent us from ^(providing much of the) ~~selecting~~ ~~w/~~ ~~contracts~~ ~~selling~~ uprossing plants. That would be a very bad bet - Cong legis against our allies.

G That wouldn't hurt us. We are self-suff.

K It would be counterproductive; it would ~~be~~ induce other countries to build enrichment facilities.

G Politically & for our own sake, I will study this issue. I have it under current cover & I not satisfied w/ a consensus yet.

K Could we have some bilateral discussion on it before putting it to a wider group - its diff but uprossing & research inst.

G We should study a Iran case to see what kind of guarantee of supply we could give them.

K Could we each deny someone so we not competing w/ each other.

G The Iranian matter is a difficult one.

K We have not agreed w/ Iran, but we think they so confident they can get a plant in Farsi that



they are accepting whatever restrictions we ask.
G There is for future a question of stopping the transfer
of repressing plants.

The 2 participants agreed that a methods

used for coal and industrial activities
in new phase of world ever diligent

Agreed that a ^{sort of} accord of ^{developed at} Kamboullit
must go on in a new phase of
econ. sit.

Bilateral

ME / Lebanon

Bilateral issues

Trade policy prob.

Econ

Various issues

Trade

Cooperation of others

11 items of bilateral summary topics

