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CABINET MEETING

Wednesday, March 26, 1975

The Cabinet Room

[After preliminary comments President Ford asked Secretary Kissinger to speak on the suspension of his Middle East negotiations.]

President: Let's let Henry give us a rundown of his negotiation.

Kissinger: First let me explain what was our basic strategy. For a year and a half we were proceeding step by step.

In 1973, all of the Arabs were lined up against Israel, the radicals were in the ascendancy, there was an oil embargo, the Europeans had come out for the 1967 frontiers, and the Soviet Union was deeply involved. The United States was in the position where we were completely isolated, and any war and its impact over the world would be ascribed to American and Israeli intransigence. With Sadat's cooperation, we moved to the step-by-step approach. We kept the Soviet Union and Europeans on the sidelines and we kept the moderates in control. We recommended to Israel that it seek movement with Jordan and in the Sinai. The delays in this process brought about the result of Rabat, replacing Hussein with the PLO as spokesman for the West Bank, and Asad was trying to force global consideration of all the issues.

So there were two elements in these negotiations: the substance itself and the continuation of a process which would preserve the situation and we had been able to develop. Throughout this period we worked closely with the Israelis and indeed followed their timetable. It brought us to this negotiation.

[He goes to the map of the Sinai.]

We have known for nine months that turnover of the passes and the oil fields was the basis to the negotiation. Israel said they would do it for nonbelligerency. What is nonbelligerency? It meant no use of force, no economic boycott, and no hostile propaganda, etc.

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E.O. 12958, SEC. 1.5

NSC MEMO, MEMORANDUM, WHITE HOUSE, STATE DEPT. GUIDELINES, State Review 3/11/04
BY: [Signature], NARA, DATE: 5/13/04



Sadat said that if he gave up all his means of pressure, how would he get back the rest of his territory? He agreed to give up the military aspects of belligerency but not all the political aspects. He agreed that the agreement would last until it was superseded by a new agreement -- in other words, indefinitely. He also agreed that the UN force would be renewed annually instead of every six months and he gave us a secret promise that it would be renewed. He also agreed to lift the embargo on a number of U. S. firms who operated in Israel.

Israel agreed to give up only half the passes, and Sadat thought that that was too humiliating.

I don't want to go into all the details because the real issues were the passes and nonbelligerency.

President: It was not a case of Egypt moving into the passes.

Kissinger: That's right, the UN would take them over. Without arguing the merits of all these points, if one looks at the process we were trying to preserve, the penalty for the breakdown is very serious. Egypt is now pushed in the direction of Arab unity. The possibility of a separate negotiation with Israel has been practically eliminated. We will be forced to go to Geneva, where the Soviet Union will have a somewhat strategic position. The Europeans will support the Soviet Union at Geneva. The UN renewals are coming up in April and May and probably will be extended for only a short time.

On the other hand, only we can produce progress. If we keep our cool, we can recover somewhat if we can produce progress. We may have to go through a stalemate and then at the proper moment present a comprehensive proposal. We will go through a tough period. The Arabs will coalesce, the Soviet Union will beat us around, and the Europeans and Japanese will push for a rapid settlement. By July and August we will have to produce progress. Otherwise there will be war within a year.

We now have to take the position that we are not more eager for a settlement than the parties. It will be a difficult period of months. We will have to avoid the possibility that we enter a process again that could be torpedoed at the last minute.



The problem for the Arabs is getting back their occupied territory; for Israel it is to get legitimacy. Without the return of the occupied territories..... We have tried to negotiate in little bits to avoid talking about final frontiers. The Israelis can't seem to understand. We told them they had to talk either to Hussein or to Arafat -- they couldn't do neither. They chose neither and you see the result.

It has the elements of a Greek tragedy, where people bring on what they fear most by pursuing courses which appear quite logical to them.

We will be in a difficult situation in every international forum now, because we have no excuse for doing nothing.

President: We have spoken to Israel over several months and we had every expectation that there would be a settlement. That did not happen, so now we must rethink our position, and undoubtedly we will go to Geneva.

Henry, all of us are deeply grateful for the superior job you have done. I have nothing but the highest admiration for your dedication, your efforts, and your brilliance.

Butz: I think you speak for the whole Cabinet, Mr. President, and from my visits around the country, I believe you speak for the country.

[The conversation turned to consumer protection, then to the Congressional Budget Committee.]

Marsh: The Committee has established seminar-type hearings where government witnesses sit around the table with other witnesses.

Schlesinger: It tends to equate government witnesses with other pressure groups.

Weinberger: We have refused three times.

President: The Budget Committee isn't and won't become equipped to ask the kind of searching questions which need to be asked. So they bring in outside "experts" to make up for their own deficiencies.



Cabinet Mtg

26 Mar 75

(Preliminary Comments)

P. Let's let K give us a summary of his negot

K. First our basic strategy, ^{to be by step} Jan 73 all Arabs
lined up against I, radicals in overland, cutting,
Eurasia open for by frontier, SO deeply involved. We in
positions where we isolated, & any ^{known} lower negot would
be assisted to the end & international. W/
Saddat exp, we moved to step by step, keeping
SO & E in relations & in control.
We report I for movement and w/ Jordan & Lebanon.
Delays brought Robert & David trying to force global negot-
ations.

Two elements in these negot: the substance itself
& the continuation of a process which would pressure
us a sit we had been asked to ally. Following I
Committee brought us to what was this negot.
(Go to map)

Transfer of a passer & oil was basic to negot. It
kind they would do for non belig. That meant no
force, no log cuts, hostile prop.
Saddat said if he gave any pressure, how would he
get the rest of his territory. He agreed to give up a
wild aspect, but not all the job. He agreed that a
agreement would last til superseded. Also annual ^{start}
removal of UK, or some secret provisions. high ambassadors
on US front.

I agreed to give up only 1/2 a passer & Saddat that that
to immediacy.
Don't want to go into all the details because real issues
center passer & non belig.

P. It's not a case of E emerging with a passer.
K. W to any extent of all these points, if one looks at the process
we are trying to pressure, a penalty for breakdown is



very serious. E is now pushed to Arab unity. Possibility of separate negot w/I has been practically eliminated. We will be forced to Geneva where SU will have a somewhat strategic position. E will support SU at Geneva. UN renewal coming up in April - May + past will be extended for only short time.

On the other hand, ~~we~~ only we can produce prog. If we keep our card we can recover somewhat if we can produce prog. We may have to go thru statements + then etc paper movement present a comprehensive proposal.

We will go thru tough periods: Arabs will collapse, SU will beat us around, E will push for rapid settlement. By July - Aug we will have to produce prog; otherwise war w/ in a year.

We now have to take position we will move early for settlement than a parties. It will be a diff period for months. We will have to avoid possibility a gain that we could be targeted at a last minute.

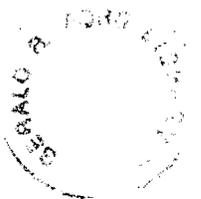
Part for Arabs is getting back their occupied territory; for I etc is to get legitimacy.

w/o return of occupied territories... we have tried to negot in little bits to avoid talking about final frontiers. They can't seem to understand. We told them they had to talk to Hussein or Arafat - they couldn't do either. They chose neither and you see the result.

It has elements of a Greek tragedy where people bring on what they fear most by pursuing courses which appear quite logical to them.

We will be in a diff situation in every week from now, because we have no exit

P We have spent the last several months + had every expectation that there would be a settlement



that did not happen, so now we must rethink
& undoubtedly go to Geneva.

All of us are deeply grateful for a superior job you
have done. I have nothing but highest admiration
for your dedication, efforts, bravery, etc.

Batz I think you speak for a whole exhibit & from my
visits around country for a country.

Common or reserved protection.

~~James~~ Budget committee discussion

Marsh The committee has established seminar type hearings, where
Govt witnesses sit around table w/ other witnesses

Schlesinger It tends to separate Govt witnesses w/ other person
groups.

Warrington We have refused 3 times.

P Budget committee isn't & won't become equipped with
a kind of searching questions which need to be asked.
So they bring in outside "experts" to make up for their
own deficiencies.

