



THE COUNSELOR
DEPARTMENT OF STATE
WASHINGTON

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MEMORANDUM OF CONVERSATION

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

Prime Minister Harold Wilson
 Foreign Secretary James Callaghan
 Sir John Hunt, Cabinet Secretary

DATE AND TIME: Friday, May 30, 1975
8:35 a.m. - 9:20 a.m.

PLACE: Residence of the American Ambassador
Brussels

[The first five minutes of the breakfast were taken up with picture taking. There was then some discussion of the British Referendum campaign.]

Wilson: Ted Heath seems to be a new man. He is out campaigning vigorously. He is actually writing his own speeches.

Kissinger: He has the advantage now that he doesn't have to face you at question time in the House.

Wilson: Mrs. Thatcher is being criticized for not speaking enough. She is being called a reluctant debutante. Of course, I never attack people unless I am attacked. I always answer in the spirit of the question.

[The conversation then turned to the traditions and uses of question time in the House of Commons.]

Callaghan: Mr. President, do you miss not being in the Congress any longer?

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~~TOP SECRET~~ - XGDS (3)
CLASSIFIED BY: HENRY A. KISSINGER

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President: I really have no time to think about it. I did enjoy it. I had begun to look forward to doing something else, though not this particular job, necessarily.

Callaghan: Some people do get restless just talking.

President: Well, we have always been in a minority and that does create a problem. I had only wanted to run one more time.

Wilson: You know Mr. President, we are developing our committee system in the House.

Callaghan: But not in foreign affairs.

President: Henry and I would be happy to give you one of our Committees on Foreign Affairs. But the committee system does keep members busy. Unfortunately, with the large staffs now there is too much encroaching into Executive Branch business.

Kissinger: One of the problems is that most of the staff members seem to be disgruntled former Government employees. Your committees can't introduce legislation, can they?

Wilson: That's right, except for the standing committees.

Callaghan: Members can't introduce bills that cost money.

President: In our case, the Ways and Means Committee is the only one that can introduce tax bills. The Appropriations Committee introduces money bills although the Constitution is not all that clear.

Wilson: With us, no private MP, even a Minister, can introduce a bill involving expenditures. This requires the "Queen's approval" and it applies even to the most nominal expenditures. But if the Chancellor imposes a new tax and it is voted, it can be enforced immediately. The only requirement is confirmation in the finance bill within four months.

President: I wish we could borrow that.

Callaghan: We did the petrol tax that way.

President: How do you think things have gone so far at the summit here?



Wilson: I am relaxed about it. Schmidt is going to talk on economics. I don't know yet exactly what he is going to say. Last year he was all excited about the collapse of the banking system and I don't know yet what his main problem is this year. As far as I am concerned, I will be saying that we never doubted your commitments and your solidarity with us. Of course, more will be done on the fringes here, on Greece, Cyprus, Portugal.

Callaghan: Should we discuss the political consequences of relations with the LDCs? I must say that at the OECD, the US proposals were well received. Of course, people had a chance this time to look at your speech beforehand.

Wilson: I have only read half of my speech so far.

It looks like the snarl-up on producer relations on the question of raw materials has eased a bit.

President: It seems so from my talk with Giscard last night.

Kissinger: We had a good response to my IEA speech.

Callaghan: These problems are as much political as economic. At the Commonwealth Conference, after shouting into the mikes people then began to talk sense. The same thing will happen at the special UN session.

Kissinger: Your initiative at the Commonwealth Conference took a lot of the sting out of the talk.

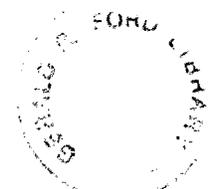
Wilson: Well, Burnham at first attacked it but he then settled down.

Callaghan: The US proposals for commissioner were well received.

President: What do you think are the prospects for CSCE?

Wilson: What do you think?

Kissinger: The Soviets are moving on Basket III. The only real sticking point is CBMs -- the question of the depth of the zone. I think we could settle on 250 kilometers. On follow-on, I had an exchange with Gromyko in Vienna. I said we supported the Danish proposal, but I said that perhaps there could be meetings after a year or 18 months, but Gromyko said no, it should be after three to four years.



Callaghan: The Romanians want a much shorter time.

Kissinger: The East Europeans want permanent machinery because they want to be able to monitor the Soviets.

Callaghan: One of the results of CSCE is that it has brought the East Europeans into equal status with other countries.

President: Is a summit likely to be in July?

Kissinger: Yes. I think the chances are two out of three that it will be unless the Soviets change their tactics. They are dribbling out concessions.

Callaghan: Stage II should really be settled in two weeks if the summit is to be in July.

Wilson: It really would kill the Geneva industry. We will need a public works program for all the diplomats who have been so busy with CSCE.

President: How long should we allow for the CSCE summit? Five days is very long. There will be 35 speeches.

Wilson: The more time you allow, the longer the speeches will be. Maybe we should plan to arrive on Monday in the afternoon or evening, and then work Tuesday, Wednesday, Thursday, and into Friday.

Callaghan: At the OECD meeting in Paris, I got rid of 20 speeches in one morning. Your's was long though, Henry.

President: It will lose luster if the speeches are too long.

Wilson: Yes, like at the UN.

Callaghan: So maybe it would be arriving on Monday, and then Tuesday, Wednesday and Thursday.

Wilson: Will it all be wrapped up at that point or will there still have to be negotiations?

Callaghan: No. There would be valedictory speeches only.

Kissinger: You know that the Turks don't want Makarios to be there, but Denktash.



Callaghan: Yes, I gather. Mintoff will make trouble on relations with the Arabs and he may hold that until we all get there.

Kissinger: The conference could end on Thursday and we could then stay on Friday for bilaterals. The press in the United States would get very impatient if it drags on. They are already saying there has been no accomplishment.

Callaghan: There is very little in Basket III.

Kissinger: And it is unenforceable.

Callaghan: We should go for a short conference.

Wilson: I would like to miss question time in the House for once.

Callaghan: And Cabinet.

President: You don't enact bills when you are not there?

Wilson: No, no, it goes right on.

On Turkey, we are going to supply arms.

Callaghan: But no trumpets! I prepared the ground with the Greeks. We will have staff talks with the Turks. Unfortunately, they are harassing UK nationals.

Kissinger: We will tell them to stop. Demirel keeps saying that if we lift the arms ban they will move.

Callaghan: I agree with Henry that the Greeks should make a proposal.

Kissinger: I told Karamanlis that they should accept 30% of Turkish territory. He said maybe they could do 25%, so maybe we are moving. Ecevit seems prepared to accept 32%. If we can get to within 5%, maybe we can move. But I told Karamanlis to drop the percentages for a while and to focus on the general question of territory.

President: What about Famagusta?

Kissinger: It is like pulling teeth, but the Turks might give up something.



Callaghan: I heard this whole venture cost the Turks \$1-1/2 billion. Can Uncle Sam do anything to make it interesting to the Turks?

Kissinger: After a settlement.

Wilson: It is clear that Ecevit just wants to oppose. Demirel is a lot more impressive than I had thought.

Callaghan: We should coordinate with each other. We are seeing the Turks at 2:30 and the Greeks at 3:00.

Kissinger: Fine. I am seeing the Greeks over lunch. We will get word to you before your meeting. You should tell the Turks that they should move now.

Wilson: How about the Middle East now?

President: I am looking forward to meeting with Sadat. We are having a thorough assessment and have seen and will see a lot of people. I would tilt toward an overall approach, covering the total area not just a part of it. We will get some criticism from the Jewish community and others. We have had an excruciating experience with the failure of Henry's efforts on his trip. At the moment, I am tilting to Option II. After the meetings with Sadat and Rabin, we will state in some way what is the best answer. Maybe it would be in a speech or a message to Congress. For now, we are taking criticism for holding everyone at arms length. But we are not being vindictive. We are trying to keep everyone calm.

Kissinger: They are staying quiet partly because everyone is trying to see how the reassessment comes out.

Wilson: What about the Soviets?

Kissinger: Gromyko made his standard pitch on Geneva. I told him it was easy to start a conference but tough to finish it. He made a pitch on the PLO and suggested that we issue a formal invitation right then and there. I turned this down and told him he could now instruct his ambassadors to go in and tell the Arabs that we rejected the proposal. I told him that we are not yet ready to talk substance and should meet again in July. He is not rushing. He said August is out for Geneva. So maybe it will be September.

Callaghan: Will you tell the Soviets before you make a public statement?

Kissinger: It depends on what the President decides. But maybe we will do it, to give the Soviets a sense of participation. We will have to state a position by the end of the month. If Rabin talks the way he does in his press conferences, it will be very difficult. But we will have to do it and take the heat.

President: They have a lot of their Cabinet members traveling in the United States. The Senate petition, the letter from the 76 senators, could have been written in the Israeli Embassy.

Kissinger: Javits' AA told Eagleburger that that is what happened.

President: Two senators have told me it was basically political, to keep fences mended back home. They say they will hold the Foreign Aid bill hostage for including something on Israel. Most of them have never supported foreign aid and here the Israelis want \$2.5 billion. They probably don't realize this.

Wilson: Rafael says that they want to fill the gap in their budget.

Kissinger: They never got more than \$800 million so \$1.5 billion would be quite a success.

President: If you have any information before I see Rabin, it would help.

Kissinger: This will be a crucial meeting between Rabin and the President so perhaps you could use your influence on him.

Wilson: He is an awkward fellow, sort of prickly. Golda was a hawk, but at least you could talk with her.

President: He is not as relaxed as he was when he was Ambassador.

Wilson: He has a divided Cabinet.

Callaghan: It is no good trying to get Rabin to stop on the way to the US because we have Fahmy coming at just that time.

Wilson: It is important to work on Peres. He is like Ecevit.



Kissinger: Right. But as Prime Minister he would be the most conciliatory.

President: I have never met Peres.

Wilson: He is sinister and slippery, always the man in a hurry.

Kissinger: That's right. He is quite ruthless. Dayan would be the best because he understands it. Rabin actually understands but he is vain and he wants to preempt the hawks. He dances around and winds up where he doesn't want to be.

Wilson: Last summer Rabin sounded quite reasonable on the West Bank. Now Hussein is trying to become the spokesman for all the Palestinians. He is mending his fences after Rabat.

President: The Israelis should have moved before Rabat.

How about Portugal? We are disturbed. Yesterday I was told that there is no communist influence in the armed forces movement. This is nonsense of course. I also got a long Constitutional lecture.

Kissinger: It was an extraordinary and novel theory, which is that the armed forces movement is the only democratic force and represents all the people. The parties on the other hand are by definition not democratic because they represent only a part of the people.

Callaghan: We haven't seen eye to eye with you. The AFM is a microcosm of all kinds of opinion and we don't regard them as beyond redemption, although we too think that things are going badly, as you do. But we don't want to give up yet. We are still trying to elevate the parties and don't want to write them off yet. Perhaps you should send some generals to talk to the AFM man-to-man.

Kissinger: Our military?!

Wilson: This Goncalves -- I don't like his skittish evasiveness. He reminds me of Clive Jenkins at our Labor Party conference. They are not really generals; they came up not liking generals.

Callaghan: Goncalves promoted himself to full general yesterday. We will have to go for gut reactions, not objective standards. We should press them to reopen the newspaper, to hold elections next year and to maintain a free press.



President: I pressed them very hard on elections.

Wilson: They just had one but they didn't like the results.

Callaghan: I want to go on struggling and not yet give up.

