

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION  
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 018644

REASON FOR WITHDRAWAL . . . . National security restriction

TYPE OF MATERIAL . . . . . Memorandum of Conversation

TITLE . . . . . Kissinger and Schlesinger

CREATION DATE . . . . . 12/26/1973

VOLUME . . . . . 4 pages

COLLECTION/SERIES/FOLDER ID . 031400100

COLLECTION TITLE . . . . . National Security Adviser. Memoranda of  
Conversations

BOX NUMBER . . . . . 3

FOLDER TITLE . . . . . December 26, 1973 - Kissinger,  
Schlesinger

DATE WITHDRAWN . . . . . 08/20/2004

WITHDRAWING ARCHIVIST . . . . GG

*Redacted*  
*2/15/08*

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

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E.O. 12958 SEC. 1.5  
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MR07-113 #4: OSD 11/10/07

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BY dal NARA DATE 11/10/08

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Dr. Henry A. Kissinger, Secretary of State and  
Assistant to the President for National  
Security Affairs  
Dr. James R. Schlesinger, Secretary of Defense  
General John A. Wickham, Jr., Military Assistant  
to the Secretary of Defense  
Major General Brent Scowcroft, Deputy Assistant  
to the President for National Security Affairs

DATE AND TIME: Wednesday, December 26, 1973  
8:00 - 9:30 a.m. (breakfast)

PLACE: The Pentagon

Kissinger: There is no evidence of the U.S. being responsible for the anti-American way Europe is developing. There is something basically wrong -- not just a failure on our part.

Clements is running around making trouble.

Dayan's withdrawal proposal was a one-kilometer move.

Schlesinger: We should make sure this remains a tempest in a teapot.

The problem is the frustration of the companies. [Tells a story about the 50% shortfall in New England.] The shortage isn't so severe and the leakage is heavy. Why can't we get enough residual into New England? I want to find out what the problem really is.

Kissinger: Faisal's real problem is how he can lift the embargo and still retain leadership of the radicals.

Schlesinger: I think we must show the Arabs we won't operate under pressure.

~~SECRET~~/NODIS/XGDS

CLASSIFIED BY HENRY A. KISSINGER  
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EXEMPTION CATEGORY 5 (b) (1, 3)  
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Kissinger: I think we should hold up on disengagement until the embargo is lifted.

Schlesinger: Was the AOPEC decision a surprise?

Kissinger: Yes. Faisal said he would work for lifting the embargo and he had never failed in his word. Though Akins said lifting wasn't enough -- production had to be increased. This could be the first step in lifting production.

Schlesinger: The 10% increase is good, and we can get our share.

Kissinger: That's right. Lifting the embargo without an increase in production wouldn't help.

Schlesinger: The international balance of payments problems will be terrible for many countries.

Kissinger: European leadership is so weak.

Schlesinger: Norway is getting rich. They should spend some on defense.

Kissinger: I'll bring you up to date. Egypt will go through the motions until the 8th or 9th of January. Then, Egypt's proposal is to withdraw heavy equipment from the east bank, and Israel is to withdraw to the passes. The heavy equipment goes further east, and put the UN in between. This takes Egypt out of the war.

Schlesinger: That is great for Egypt and Israel. Is it good for us? How about the Canal. We only have two carriers which can go through the Canal. These are scheduled to retire. We should probably keep them.

Kissinger: I agree.

This Egyptian proposal would defuse the situation and lessen the possibilities of blackmail. It would split the Arabs. Asad knows this -- he called Sadat a pimp!

If there is anything we want from Egypt on the Canal, we better ask them now.

Schlesinger: I want a base in Sinai.



Kissinger: Very privately -- Sadat wants to abrogate the Soviet treaty and he wants arms from us. He said he would either kick the Soviet Union out or give us equivalent bases. This withdrawal is good. It opens the Canal, but takes off the terrible pressure on us from the unstable military situation.

Schlesinger: If we get a base in the Sinai I don't care about the Canal.

Kissinger: Asad has pressure from Iraq and has internal challenges. His nightmare is Sadat will take himself out of the war and leave him holding the bag. So we need a disengagement agreement for Syria also. Then we will have defused the situation and can deal with the rest of the problem calmly.

The Israelis will change once the pullback starts. Their military is stupid -- what they need is demilitarized zones which give a warning when crossed.

Schlesinger: Do you think we can get a base in Sinai if the Soviet Union stays in Egypt?

Kissinger: Not for six months or a year, and maybe not ever.

Schlesinger: How do we threaten the producers without men out there?

Kissinger: How about Ethiopia? Our task force out there was very effective.

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Schlesinger: .....

I told our people that in view of the price rise, I want to hit the Shah with a good share of the F-14 and 15 R&D. Also charge the Saudis high for their many needs.



How about our European friends? Jackson-Nunn is no problem if we define the offset properly. We will have a DPRC meeting to massage the group from Commerce. The issue is: The Europeans are already offsetting our balance of payments costs. We have to get Commerce to count right. They are counting many things which they shouldn't count.

Kissinger: The danger of your approach is that the Europeans will do nothing.

Schlesinger: Yes, we must hit the Europeans that the thing they must do is to raise their defense budgets -- this would defuse Mansfield, et al.

Kissinger: I was depressed by the NATO meeting. They will promise anything then not deliver. Scheel is terrible; Home is okay; the French are playing a desperate game -- Jobert may be okay but Pompidou is bad.

Can we have Foster do something with Galley that doesn't hurt?

Schlesinger: Let's talk about that. Our NATO friends think we undercut them with the French when they try to stand up for us. The French say they make us eat crow and like it. The Dutch said they would buy U.S. rather than French aircraft because France wasn't in NATO. Carrington said France couldn't enjoy the benefits of membership if they didn't pay their dues.

Kissinger: That's true. The opposite argument is that the alternative to their present program is zero; if it leaks, it will destroy their credibility with the other allies, and it gives us some leverage.

Schlesinger: Let me see what we can give them.

The British are giving up on Poseidon. Shouldn't we have them withdraw their people?

Kissinger: Are they? If so, yes.

Scowcroft: They haven't yet said anything to us.

Schlesinger: No. But their budget decision stretches things out at least two years.



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Kissinger and Schlesinger meeting

CREATION DATE . . . . . 12/26/1973

VOLUME . . . . . 7 pages

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