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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET/NODIS/XGDS

## MEMORANDUM OF CONVERSATION

PARTICIPANTS:

Valery Giscard d'Estaing, President of **the** French Republic Jean Sauvagnargues, Minister of Foreign Affairs

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:

Monday, December 16, 1974 11:00 - 11:45 a.m.

Hotel Meridien Martinique

SUBJECTS:

PLACE:

European Unity; Nuclear Proliferation

[The press entered to take photos.]

DECLASSIFIED E.O. 12958 Sec. 3.8

Kissinger: I will brief at 11:45.

Giscard: And so will I.

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[The press leaves.]

Kissinger: Now I know how Sauvagnargues got the Quadripartite Agreement done. Immediately he launches an attack. It happened so fast I can't follow.

Giscard: I think the communique has been well framed.

<u>President:</u> I am impressed not only with the substance but the process. I think it was important as well as an opportunity for us to get better acquainted so we can continue this process. Please call me whenever you feel the need. I will do the same.

CLASSIFIED BY: HENRY A. KISSINGER

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<u>Giscard</u>: We have had bickering between technicians, but I think we have made progress.

<u>President:</u> I think the working level sometimes undermines what is done at the top. If the working level can understand what we have done . . .

#### EUROPEAN UNITY

<u>Giscard</u>: The diplomatic problem remains for you to establish relations with a single Europe. We engaged in an objectively frustrating enterprise. Previously the will to establish a strong, unified Europe wasn't very strong. We are planning EC summit meetings three times a year for consultation.

<u>Kissinger:</u> We could avoid misunderstandings if you would inform us of your views and we would inform you of our discussions with your partners.

President: We will proceed on that basis.

<u>Giscard:</u> I don't know what the outcome will be. We are in a difficult process. We have a customs union. The British consider that what they pay on imports is a financial credit on the union. They reintroduce this whenever they make the calculation. This is absurd because a customs union is just like within the United States. The British are reluctant and are making a circuitous approach. Have you met with Wilson?

President: No.

Kissinger: The direct approach is not his style.

Giscard: He is a brilliant man.

<u>President:</u> Didn't the European Community agree to lessen the British burden!

Giscard: [Described the arrangement worked out.]

<u>Kissinger</u>: I have the impression from Callaghan that they will conduct the renegotiations in order to stay in, not to get out.

<u>Giscard:</u> This is Callaghan, not Wilson. Wilson wants a satisfaction he can't get.

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#### President: Would he withdraw?

<u>Giscard</u>: He is committed to a referendum. He would probably introduce a bill in March.

<u>Kissinger:</u> Unless the Government backs it, a referendum will fail. The British people are against the Market. So Wilson can certainly make it fail.

<u>President:</u> How will it be phrased -- to stay in or to get out? It makes a psychological difference.

Kissinger: Heath will be strongly for.

#### NUCLEAR PROLIFERATION

<u>Giscard:</u> I want to explore the Non-Proliferation Treaty. You have a meeting in April 1975. Our position has been not to join it but to follow the rules of it. We see that a number of countries which earlier thought to join it have not done so. Does that change your approach?

<u>President:</u> For us to back off would not be understood in the U.S., and the Congress is strongly for the NPT. We would urge an exporters conference.

Giscard: This is on nuclear materials.

Kissinger: Yes, it is a separate matter from the Non-Proliferation Treaty.

<u>President:</u> We are worried about the lack of safeguards of some exporters. If the suppliers could meet outside the treaty perhaps, it would be useful.

Giscard: You made a step by suggesting it a month ago.

Kissinger: Yes, we held off for you.

Giscard: And the Soviet Union?

Kissinger: They have agreed in principle.

<u>Giscard</u>: We are cautious. In principle, I share the idea of participation. We must not take it highhandedly. We are wary of the mechanism because



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of the experience of the COCOM. There were a lot of problems with it, sometimes absurd. There was an electronic sale to Poland which took three years to get through COCOM.

<u>Kissinger</u>: What we have in mind is not COCOM. That was just a ban on strategic materials and each case was determined separately. Here we would agree on safeguards, and then all of us could sell all the reactors they can without further reference to any central authority.

President: We want uniform rules only.

<u>Kissinger:</u> Yes, we don't want a body to license reactors. We would set up the rules and then let each country make its own sales decision.

<u>Sauvagnargues:</u> There have been contacts. We are studying the Ingersoll proposal but we are wary of an international body with strong controls. Also we have relations with your AEC on a bilateral approach.

<u>Kissinger:</u> Ingersoll is our position. Dixy [Lee Ray] got seduced by your people. This is not a competitive problem at all. We have those in our bureaucracy who are passionate on non-proliferation. We have resisted Soviet pressure on the NPT. On safegards, we are prepared for preliminary talks with you beforehand so there are no surprises. We just don't want competition in safeguards, especially on the part of the Soviet Union.

President: We have transferred Dixy to State!

<u>Kissinger:</u> So she will be under moderate control. [They talked about Dixy a bit.] Seriously, we will sit down with your experts to work out the specifics.

<u>Sauvagnargues</u>: In other words X would agree not to sell unless the buyers agree to the agreed safeguards.

Giscard: We will send our experts to talk.

<u>Kissinger:</u> Mrs. Gandhi said she would agree, but multilaterally not bilaterally. She said there would otherwise be pressure in the Middle East.

Giscard: Do you think it is possible to limit the flow of nuclear materials?

Kissinger: I think we can slow it down.



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<u>Giscard</u>: Because you have Israel, the PRC, etc.

<u>Kissinger:</u> Not all these countries have ever transferred the technology. The PRC hasn't; Israel is reluctant to admit it has it.

President: Have the Canadians agreed?

Kissinger: Yes. We thought we might call a conference.

Giscard: We will send our experts.

President: We won't act until you do.

Giscard: The countries who haven't ratified . . .

<u>Kissinger:</u> You don't have to be in the Non-Proliferation Treaty to participate in a suppliers conference. We don't think many more will join the NPT. We don't think we need that for a suppliers conference.

We think the Latin American countries may move.

Giscard: Who?

Kissinger: Argentina.

Sauvagnargues: Has Japan signed?

<u>Kissinger:</u> Yes, but not ratified. But countries don't have to sign the NPT to join this. The Soviet Union has persistently sought to engage us in joint pressures on the NPT -- we refused to pressure you or the PRC.

Giscard: It would be important to have India.

Sauvagnargues: Our experts are wary of an international organization.

<u>Kissinger</u>: Someone must administer the safeguards. The Vienna group is OK. We don't have to have a new set-up. India will join multilaterally, but not to safeguards applied just to them. We are worried that India may start selling materials.

President: Is there anything else?

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<u>Kissinger</u>: May I say in the press conference that we agreed to discussions on more safeguards?

Giscard: Bilateral.

Kissinger: We need to move quickly. We have held up a long time now.

<u>Giscard</u>: There is also a technical question about breeders. We can leave the question to the technicians. We are fairly far along. You have had problems.

President: Technical and financial. Are yours going well?

Giscard: Yes, but it won't happen before 1975.

<u>President:</u> We have advocates and ardent opponents. Also we have a time factor.

Let me say I am pleased not only by the substance of our meeting but the atmosphere. I want to thank you for everything, including the warm words in the toast. I would like you to come to the United States.

<u>Giscard</u>: I would like to come to the United States. It is a pleasure to know you. I attach importance to our personal relationship and I want to continue the relationship.

President: I know of nothing else.

[The meeting then ended.]

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