MEMORANDUM OF CONVERSATION

PARTICIPANTS: President 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: Thursday, December 19, 1974
PLACE: Oval Office

Kissinger: Laird has been holding press conferences again. He said
I absolutely won't be around in '76. I don't need reassurance.

President: It was in the Post or Times this morning. He talks about
the Cabinet, about you, etc.

Kissinger: On Egypt, everything that has been done is too late. Now
Sadat says there has to be some withdrawal on all fronts. We probably
should have moved before the [scheduled] Brezhnev visit [to Cairo]. I
think we have to elicit something from Sadat and then tell Israel they
have to give oil and the passes. Then we could move on the authorization
with the argument that they need to buy more oil.

We have a serious problem on Ex-Im with the Soviets. It's not just
that Brezhnev looks like a fool on energy -- with Peterson and Nixon,
they were talking billions. We have lost our leverage. What do they
lose if we kick over detente? They won't do anything for $300 million.
The basic trade bill is so appalling.

President: I object to the procedure on the energy projects. The $300
million I don't like. I would have no compunction about a veto.
Kissinger: I doubt they will accept MFN under these conditions. Even if they do, it isn't worth it. Dobrynin said they are faced with a position where there is shift of Executive power to the Congress.

President: If we veto the Ex-Im bill, maybe the businessmen will put some pressure on the Congress.

Kissinger: One theory with the Soviet Union was that we would create vested interests so that their bureaucracy would protest upsetting it. Also, we can stand these vested interested connections, but if they are made with Europe, I don't know if Europe is strong enough to handle it.

My nightmare is that so far we have bluffed them out of every crisis; what if they take the next one further down to the wire? If they put three divisions in, we couldn't meet them.

President: Let's take a look at the bill and give me your recommendation.

Kissinger: I will talk to Dobrynin again today.

President: We will have to mobilize Don Kendall and the others.

I'm putting John Dunlop in for Brennan. How about putting Brennan into Ireland?

Kissinger: It will cause a little ruckus, but we do very little business with Ireland. A little more in the next six months, because they will be President of the Nine.

President: Moore has been there five years, hasn't he?
PK 19 Dec

K had been telling press eng again. Said absolutely won't be named in 76. Just said 'universities'.  

P got in a little committee this morning. Talks about Lebanon,

K on K. Every thing been done in the late. Don Salat keeps coming in. All parties. We got all blown away before they went. Think we haven't been tactful.

When Salat & then tell I say sound. Join wide pass if they need the money. Then we speak more with the agreement that they need to stay involved.

We have serious problems in K-M. Not just that they don't know who is running it. President is they were taking dollars. We have lost our leverage - what do they know of our sources, contacts? They are doing it on 600 miles. The brain will be keying.

P I suggest that there is a procedure we can anyway. This would not have I would have no comparison about a shift.

K I thought we will accept NF & common thread. Ern of this do, it isn't worth it. So we said they need

P If we sit next week, maybe homeowners will put some pressure on a step.

K Our theory of 50 was we would create vested interest so that there's insurance would protect against it. Also, we can extend those vested institutional connections but if they are made of fine, I don't know if even in theory enough to break it.

My sympathies is you have been delayed them out of very basic - what if they take a right and further down to a level. If they part it remains in Cou
It's time to look at a bill and give one more scan. I will send you today. I will talk to him again today.

I talked to Mr. Kendall earlier. (Developing for Bernard.) How about putting Bernard into Holland.

It will come as a little surprise but we did see little Jonnie of Holland. A little man in white dress.

I'm told there was a face here.

Mark has been there too and he's heard it.