

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

SECRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: 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, January 6, 1975
9:34 - 10:40 a.m.

PLACE: The Oval Office
The White House



The President: Here is a letter which emerged from the meeting with the Jewish leaders. [The President hands the letter to Secretary Kissinger.]

Kissinger: In retrospect, I am sorry we ever negotiated with Jackson.

Domestically, we would be better off if the Soviet Union rejects it than if it accepts, because there is no way the Soviet Union can live up to the two letters. If it doesn't work out, Jackson will say "I told you so"; if it does work, he will say that shows what you can get with toughness. You have seen the change in the Soviet press accounts of the U.S. Something is happening.

Here is my analysis: We have made foreign policy look so easy that the American people think you just go to Vladivostok and make a deal. They don't know the work behind it, the precariousness of it. Of course, the Democrats would like both detente and anti-Communism.

From the Soviet standpoint: we bombed one of their allies to smithereens and they did nothing; we quieted Europe; they have been quiet in the Middle East -- not cooperative, but quiet. We rebuffed the Soviets in the 1973 summit on the Middle East.

CLASSIFIED BY Henry A. Kissinger
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E.O. 12958, SEC. 3.5
NSA MEMO, FINANCIAL STATE DEPT. COUNSELING
BY llk, MARA, DATE 5/10/04

What have we gotten out of detente? We have de-fanged the left in Europe and their argument that friendship with the U.S. jeopardized the relaxation of tensions. The same in the U.S. The Left is belligerent now, but let detente fail and they will swing to the Left again.

What have the Soviets received? In SALT I they got only ratification of existing situation. We stopped their programs. In Vladivostok they fell off FBS, and they have to give up 100 systems to get down to 2,400. We have no restrictions on our programs.

They are now facing the prospect of some dramatic haggle on SALT as they had on trade. They wanted Vladivostok to be a big achievement to bolster you and they were taken aback. We have to defend Vladivostok by showing what the Soviets gave up, and that's bad. In 1972 we were talking about large scale economic cooperation. We were thinking that Ex-Im was too small and maybe a special bank would be set up. Now the Trade Bill and the Ex-Im legislation is an insult to them. The authority to go back to Congress is a joke -- you can always do that. So they are worse off in credits and only marginally better in trade.

The Politburo people are ambitious like anyone. They will tell Brezhnev, "Look what you told us would happen and look what happened."

There are two things which have to happen: the exchange of notes with the Soviet Union cutting the length of the trade agreement. There is only a 50-50 chance they will agree to that. Then you must submit a letter assuring that the purposes of Vanik will be met. I doubt that the Soviets will let us say there are assurances.

In the State of the Union, you should talk about Congressional intrusion into foreign policy and go for relief from the OPEC and Ex-Im ceiling. I can give Dobrynin two choices: give up on trade or try to make it work. But honestly, I think we are better off if it fails than if it succeeds. Let the Jewish emigration get cut off. If they hit me with letters, I will say I fought for a year and then went to what I thought were the outer limits. It may have worked if Jackson hadn't gloated; then with the Ex-Im piled on top, it is just too much.

Each time some Soviet Jew protests, you will get pressure to cut off trade. I don't think it will work and I regret having gotten into negotiations with Jackson. If Jackson would have let it go without gloating, it may



have worked. With your permission, I think this should be my strategy with the Soviet Union. But we may be in for a tough time with the Soviet Union. On the Middle East, they are now offering a joint guarantee of the '67 borders. That means we push Israel to the '67 borders. A U.S. - Soviet guarantee means Israel would have to want Soviet troops in; they could paralyze a joint action.

The President: I see Allon is coming.

Kissinger: He is going to Palm Springs. I said I don't want any proposals from them because they will leak. He will stop to see me unofficially on his way back. I am not even sure you should see him. I told Dinitz the only issue is to negotiate or to go to Geneva.

Israel has asked for some Egyptian gestures. What they have offered is as ridiculous as the Israeli concessions. But Sadat's position is now weaker. I don't see how to move it forward unless Sadat sends Fahmy or I see Sadat. Only Sadat can make the concessions and he will do it only to you or me. That raises all sorts of problems.

The President: Could we get Allon and Fahmy together here?

Kissinger: If Sadat were in full control . . . he told me in June that I should get what I could and he would accept it. I couldn't accept that responsibility. [Story about Gamasy]

I am not eager to do it -- if I am selfish I would prefer it to fail because if it succeeds there will be problems and we would be set up for another crisis next year. But it will help our friends to give us a chance to get our energy house in order.

The President: If we don't move, what do we do with long-range assistance? Hold it in abeyance?

Kissinger: The only way you can go with \$4.5 billion is with a settlement. Otherwise you may as well shoot Sadat.

The President: If there is a stalemate, I don't see how I can move on long-range aid for Israel.



Kissinger: No matter what, I think the American Jews will oppose you in 1976, because they will think you would move in 1977 and with a new party they would have a crack at a better deal.

Here is a scenario: an agreement in March, which would take six-nine months for implementation. Then we would agree in May to go to Geneva in June or July. That will get the UNDOF renewal. We should be able to confine Geneva to boredom then. But in 1976 we will have trouble again, but in a better environment.

If there is no agreement, Sadat will move fast. We will go to Geneva under a stress situation, and it will be highly inflammatory. By the summer we will be in a real bind on the PLO, and so on, with the U.S. and Israel isolated.

Even with an agreement, Israel will be sitting here just like this next year. Both alternatives are troublesome.

The President: But by next year energy and the economy will be in better shape. It is a responsible course. The other way it is very risky at a time when energy and the economy are weak.

Kissinger: But we could go to Geneva and then claim that Jackson and Israel had screwed it up so we had to impose a solution. But that is very brutal.

But an Egyptian settlement will be attacked as forcing Israel to an illusory peace without real gains for Israel.

The President: If we don't even try the step-by-step. . . .

Kissinger: The Soviets would be restrained for three months, but by the summer we would be up to our ass in alligators.

The President: I want to move step by step.

Kissinger: Then I will draft letters to Sadat saying you are willing to meet with him somewhere. Here, or in Cairo, or in Europe. [There was a discussion of where and how.]

I have to go out there sometime, but I thought I would go only in the last week of negotiations. It is too risky to send a proposal through diplomatic



channels. We need to get one or the other signed up. Previously, I never made a proposal I didn't know was acceptable to at least one of the parties.

I could meet Sadat in Paris under an excuse of a trip to see Schmidt or the Shah. We must get something by the first of March.

On oil, my weak sisters in State think my inadvertent remark in Business Week is one of the best things ever done.

The President: I like your term "strangulation."

Kissinger: If we play it boldly, I think we have a fifty percent chance that if there is war there might be no embargo.

If there is a war, we must keep the Soviets out at all costs and it is probably in our favor to have Israel win. But afterwards, we would have to impose ruthlessly a peace.

The President: Will the WSAG lay out contingency plans?

Kissinger: The purpose is to see if we have any plans and if they make sense.

On energy, I am for a floor price, to put us in a stronger position.



P/R-6 Jan 15

Monday
9:34-10:40 AM

P Here is a letter which emerged from a meeting with French leaders (Hambro's)

K In retrospect I am sorry we ever negotiated w/ Jackson.

Domestically, we would be better off if SC accepts rather than accepts, cause there is no way SC can live up to a 2 letters. If it doesn't work out he will say I told you so; if it does he will say that shows what you can get w/ Tonghames. You have some change in Sov press accounts. Something is happening.

Harsh analysis: We have made FP look so easy - then people think you just go to Vlad + make a deal - they don't know the work behind it, a piece of business fit. Of course - Soviets would like both detente + anti-crisis.

From SC standpoint; we bumbled out of their ability to see through + they did nothing; we printed Europe; they have been quiet in NE - not cooperative, but quiet. We reshuffled SC in '73 summit on NE.

What have we gotten? We have de-fanged left in East that friendship w/ US propagated relaxation of tensions. Same in US. Left is belligerent now, but let detente find + they will swing to left again.

What have Sovs need? Salt I they got only satisfaction of existing set. We stopped their prog. Vlad - they fell off FOS, have to give up OOD systems. We have no restrictions. They now seem facing prospect of some domestic haggles on SALT over trade. They wanted



Wlad & be a big achievement to bolster you & they
very taken aback. We have to depend Wlad by
showing what I've gone up & that is bad.

In '72 we were talking about large scale econ
corp. We were thinking I'm too small & maybe
a special bank setup. Now, a trade bill &
XN is an insult to them. Authority to go back
to Congress is a joke - you can always do that. So
they are worse off in credits & only marginally
better in trade. ~~See~~ The politicians people
are ambitious like anyone. They will tell Bug - look
what you told us could happen & look what
happened.

There are 2 things which have to happen: a change of
votes ^{w/50} & cutting length of trade agreement. Only 50-50
chance they will agree to that. Then you must
submit letter assuring that purposes of Barick will
be met - I doubt S.C. will let us say these assurances.

// In S.C. you should talk about Cong. intervention
into F.P. & go for relief from O.P.C. & XN ceiling.
I can give I say 2 choices: give up on trade or try
to make it work. But honestly I think we are better
off if it fails than if it succeeds. Let Jewish
emigration get cut off. If they hit me w/ letter
I will say I forgot for year & then went to
what I had over water limits. May have worked
if Jackson hadn't got it; then w/ XN filed
on top, it just too much.

Each time some S.S. few protests - & they are
obnoxious - you will get pressure to cut off trade.
I don't think it will work & I regret having gotten
into w/ot w/ Jackson. ~~But~~ If Jackson could move

But it is w/o plotting, it may have worked.
w/ your permission, I think this should be my
strategy w/ S.D. But we may be in for tough
times w/ S.D. On M.E. they are now offering ~~them~~
a joint guarantee of 68 leaders. That means
we push I to 67 leaders. A US-Sov guarantee means
I would have to commit 500 troops in; they could
paralyze joint action.

P I see Abbas coming.

K He going to Paker Egg. I said I don't want proposals
because they will leak. He will stop unofficially
on his way back. I not even sure you should see
him. I told Derweth a only issue is to
negotiate or to go to Geneva.

I has asked for E gestures. What they have
offered is as rich as I concessions. But Sabat
position now weaker. I don't see how to move
it forward unless Sadat sends Fahawi or I see
Sadat. Only Sadat can make a concession +
he will do it only to you or me. That raises all
sorts of problems.

P Could we get Abbas + Fahawi together here?

K If Sabat were in full control... he told me in
June that I should get what I could & he would accept
it. I couldn't accept that step. (Story about Germany)
I not eager to do it - if I selfish I would prefer it to
fail because if it succeeds there will be jobs & set
up for another crisis next year. But it will help
our friends & give us a chance to get our energy back
in order.

P If we don't move, what do we do w/ long range
commitment? Still in dilemma?

K Only way you can pass 4.5. but is w/o settlement.

Othman you may as well start Salot.

P If situation is I don't see how I can move on LR and.

K No matter what, I think, ^{Am} Jones will give you in '76, because they will think you would remain in '77 - w/o a new party they would have a crack at a better deal.

H in a scenario: Agreement in March for G-9 was implemented - agreed in May to go to Geneva in June-July (that will get UNDOK removal). We should be able to capture Amman to better than. But in '76 we will have trouble again, but in a better environment.

If no agreement Salot will move fast. Will get Geneva ~~crisis~~ stress situation - highly inflammatory. By summer we will be in a real bind on PhO etc w/ US & I isolated.

Even w/ an agreement I will be sitting here just like this next year. Both alternatives are troublesome.

P But by next year energy & economy will be in better shape. It a resp. course, the other way it's very risky at a time when energy & economy weak.

K But we could get Geneva then Chair Jackson & I had screwed it up so we had to impose a solution. But that was brutal.

But an E settlement will be attached as forcing I to an uneasy peace w/o real going fast.

P If we don't even try step by step - - -

K Some would be withdrawn for 3 mos but by summer we would be up to ass in alligators.

P I want to move step by step.



- 1. GA Ambassadors picture tomorrow (5 min picture)
- 2. Book to G T & Cyprus

K Then I will draft letter to Sadat saying we willing to meet somewhere. Here, Paris, Etc.

(Discussion of where to have)

I have to go sometime but I had that it in last week of next. It is wishy to send a proposal thru dip channels. We need to get one or a other signed by P. P. I think I never made a proposal I didn't know was acceptable to at least one of the parties.

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On Oil, my State week sisters think my inadvertent remark is one of the best things ever done.

P I like your term stratagulation.

R If we play it boldly I think we have 50% chance if ~~it~~ war that no embargo.

If a war, we must keep Spas out at all costs + put in our forces to have to win. But after, we would have to negotiate with the place.

P Will WSAG lay out cost plans.

R Purpose is to see if we have any plans + if they make sense

Agreement on Trade. Let Phoenix
 State Government to do
 Scalp / Scroton.

K I'm coming down for floor plan + strategy position

