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: Friday, February 7, 1975
9:22 - 10:05 a.m.

PLACE: The Oval Office

President: I am concerned about the stories about Haig.

Kissinger: It's natural -- with his rapid rise, Watergate, and Goodpaster.

Bhutto said his judgment is that you shouldn't try to conciliate Congress, but go head-on to hit them.

On my trip, we have pretty well reviewed the Egyptian-Israeli situation. If there is no progress, we will have to go to Geneva under the worst circumstances. Sadat will be lined up with the radicals, and probably even Faisal will be. Israel has to understand their specific terms are less important than continuation of this process -- and they will have to take what they can get. But I will tell Sadat he must give all he can so as not to upset our domestic situation too badly.

President: Would the passes be demilitarized?

Kissinger: I haven't really thought that through because I haven't talked to Sadat. On my first stop in Israel I will be very tame, so there will be no newspaper campaign while I am in Egypt. I will tell Rabin we are not ready to move ahead on aid if there is no progress.
President: Tell him cold.

Kissinger: He must know it is one thing to sneak things through Congress when we connive at it; it's another to do it with Administration opposition. You can't be willing to pay $3 billion for a stalemate.

President: What are you thinking about the oil fields?

Kissinger: They can be demilitarized, with Egypt running the oil fields. We may have to make some compensatory arrangement -- and may have to pay for a new Israeli defense line.

President: That is O.K., but we won't pay for a stalemate.

Kissinger: Nahum Goldmann is now attacking me. He wants a drastic settlement and a return to Geneva. What you have is a coalition of those who want rapid movement and those who want none.

President: How could we get a partial settlement at Geneva?

Kissinger: Impossible, except as stages toward a settlement which is already defined.

President: It will be interesting to see your meeting with Gromyko.

Kissinger: Egypt wants to buy non-lethal equipment. It requires a Presidential Determination. I would recommend, for now, telling Sadat that we would sell a Presidential Determination for training only.

President: Could we do it as part of a settlement?

Kissinger: Regarding Bitsios -- we can't really get together on this trip.

I will give you a paper on Law of the Sea, and on Panama.

President: How is Panama?

Kissinger: We have asked for 50 years. We can't get it if you want a treaty. We have asked for a perpetual option for a second canal. We will have to compromise that.

President: Let me look at the paper.

Kissinger: I'll send it to Camp David.
P. I mentioned about a strike about this.

K. It's natural - his resolute spirit. Washington, Group B.

Ralph said we should maintain the letter of the law, but to accommodate the situation, he would set up a just system.

P. Can we just do what they say they want to do? But...will this just be one of the ways we can put this on the table?

K. We will not accept these new domestic situations too.

P. Would the process be changed?

K. At the moment, we cannot accept what they want.

P. We will try to keep the process the same as before.

K. We will continue to work on this. We will continue to implement the policies.

P. I think we should continue to work on this.

K. We will continue to work on this. We will continue to implement the policies.
Pete: P.D. -- let's -- what is -- initial.

P: You could not get partial settlement at all.

K: Impossible, except as a stage toward a settlement which already denied.

P: Well we understand you -- you want -- forCamp, for

K: Except to deny non-lethal equip. Figure a

P: I would understand for non-lethal. Safe that

we would settle P.D. for training only.

K: Could not do it as part of settlement.

K: It won't -- we can't really get together on this trip.

J. will give you a paper on HES, and on

Panama.

P: There is Panamanian.

K: We have asked for 25 guns, we can't get it. If

you want a treaty, we have asked for related

treaty for a 25 brand. We will have everyone

that.

P: It is not a people.

K: I'll send it to Camp David.