MEMORANDUM OF CONVERSATION

PARTICIPANTS: Harold Wilson, Prime Minister of the United Kingdom
James Callaghan, Secretary of State for Foreign and Commonwealth Affairs
Sir John Hunt, Secretary of the Cabinet
President Ford
Dr. Henry A. Kissinger, Secretary of State and Assistant to the President for National Security Affairs
Lt. Gen. Brent Scowcroft, Deputy Assistant to the President for National Security Affairs

DATE AND TIME: Wednesday, May 7, 1975
4:06 - 5:16 p.m.

PLACE: The Oval Office
The White House

SUBJECTS: CSCE; Middle East; Energy; Concorde; Commodities; EC Poll

CSCE

The President: I gather the Commonwealth Conference was a success.

Wilson: Yes, it was a good meeting.

President: We are looking forward to the meeting in Brussels and we appreciate your taking the lead.

Wilson: I think it is a good time. We will be able to decide whether or not we should go to Helsinki.
Callaghan: It could be a very constructive week -- with important meetings of the IEA, the OECD and NATO.

President: Also to firm up the situation on the security conference.

Wilson: That's right.

President: What is your view on CSCE?

Wilson: We have got some way to go. We need to get from Jim the details on what the sticking points are. Brezhnev is obviously in a hurry. He wants three things: the CSCE Summit, a world Communist conference, and his visit here. I think they told him he could stay until next February.

Callaghan: That gives us leverage. To come here before the CSCE or vice versa.

Kissinger: We can't meet [for his visit here] before September because we won't be ready until then. I think the later the better on CSCE -- son long as we don't seem to be stalling. But we told him July.

Callaghan: I am more pessimistic about a meeting in July. I don't mind him coming here in September and having the CSCE in October.

Kissinger: That's all right with us.

President: Is there a chance he would be more flexible if we said July?

Kissinger: We said that if there was progress, we'd have the summit.

Wilson: It means more to him than to us. He needs it.

Callaghan: His success is the recognition of the legitimacy of East Europe. He will have that if there is a CSCE Summit conference.

Kissinger: I suspect they will make all reasonable concessions to have it in July.

Middle East

President: You might be interested -- and I am grateful for your observations -- we are very disappointed in the setbacks in the Middle East. We are undertaking a broad reassessment of our Middle East policy.
I will see Sadat and Rabin in June. Sometime shortly after that, we will announce where we think most progress can be made. We are very concerned about stagnation and we think it would be very risky to permit it. The step-by-step is in suspension; the other alternatives would be a comprehensive approach, using Resolutions 242 and 338. Some argue this is the proper approach. I would appreciate your observations.

Wilson: You aren't planning to complete the review before you see Sadat and Rabin?

President: Yes. They are part of the process.

Wilson: I know Allon very well and got a good account of what they think when he came to London. I laid out to him that a stalemate is not on their side. There were different accounts -- Israeli and Egyptian -- of what transpired. They feel they made an offer -- I thought it was like a free kick after the game was over. I gather they haven't offered anything since.

Kissinger: No, we have asked four times if they had anything more to say. At no time have they deviated from their previous position.

Wilson: Allon's main point to me was, how does he know Sadat will survive or that the UN force won't be vetoed?

Kissinger: That negotiation is so hopelessly confused, I don't see how it can be resurrected. But Sadat had pledged non-use of force, an agreement that it would be valid until it was superseded by another agreement, that annual renewal of the UN would be automatic, and there would be a mixed Israeli-Egyptian commission to supervise the disengagement. They asked about a Soviet veto of the UN force, but we could have gotten around that. The real difficulty was between non-use of force and non-belligerency. Sadat felt that if he gave non-belligerency for the passes, he would have no leverage for further movement.

Callaghan: Peace.

Kissinger: What is the difference?

Callaghan: We go around like squirrels in a cage on this. A comprehensive approach is certainly worth considering. But can't we resurrect it with some magic ingredient? What could Egypt put in the pot? Financial support, more on the Canal? Israel could give the passes.
Wilson: If the UN were pushed out, could there be an automatic return of Israeli troops to the passes?

Kissinger: They never gave us a line, but it went through the middle of the passes. The other issue was unbroken Egyptian access to oil fields. The difference between the middle and the end of the passes is Israeli domestic politics, because it would be a zone of limited arms anyway. Egypt didn't care if they moved out of the passes, how far. But I think the Israeli government was in no condition to make an agreement in March.

Wilson: That is the point. They don't have a united Cabinet at all.

Kissinger: The Presidential letter was to arrive after the Cabinet decision, not to influence it. I said never again would they have a chance like that for only eight kilometers in the passes. Rabin said give us 24 hours, but that I think was because they couldn't get their propaganda organized on the Sabbath. So he said, "While we are waiting, why not ask Sadat if there was more he can offer." Of course, Sadat said no. So there was no new Israeli offer.

Wilson: That is my point. There is no real Cabinet.

President: It seems to me an evident hardening. Rabin is being praised for being firm. They are generating the American Jews, and it doesn't appear to me there is any flexibility in the step-by-step.

Wilson: I have heard stories about horrible infighting in the Cabinet. I spoke to our Jews -- very frankly -- and I said there was a crisis of confidence between the U.S. and Israel. I think they are worried -- not only can Sadat survive, but is there an Israeli Cabinet?

Callaghan: Then is there an alternative Cabinet which can be built? Is there a good movement? If it is, and the Israelis can't move, can't you get Egypt to move? Turn the heat on the Egyptians. They need economic help; they could let Israeli ships through the Canal.

Kissinger: Our Ambassador -- who is very sharp -- felt that Sadat had already gone too far for his domestic situation. Now we have a Syrian problem. I think one reason Israel turned us down is because they are not willing to move on the Golan.
Callaghan: Our Ambassador thinks Sadat may fall because of the economic situation.

Wilson: Is one of the options an ultimate guarantee by the superpowers and others, so there would be no UN veto? Is that ruled out?

President: I wouldn’t rule anything out but I don’t know that that is the most attractive.

Wilson: I know we want to keep the Soviets out and that is a problem.

Kissinger: We might have a real problem getting an American guarantee through Congress. It would be difficult if we had to explain in detail when we would or would not intervene.

President: There is a very different and difficult situation in Congress. It is not the way it was, even with respect to aid.

Callaghan: Maybe you have to put it all on the table, instead of being kicked around as the middleman.

Wilson: Would Geneva ever happen?

Kissinger: It would be a nightmare. Having the Egyptians and the Syrians together, it reduces the flexibility of both; then you have the problem of the PLO, etc.

Callaghan: Couldn’t you make it a condition only to meet for four days and then go to subcommittees?

Kissinger: The Soviets are so rigid and legalistic that they would produce a stalemate even if they wanted to be helpful.

Callaghan: I think you must go back to the step-by-step.

Kissinger: Let’s see what the President sees in the meetings.

Callaghan: We would welcome knowing before your public announcement.

Kissinger: We had told the Israelis the minimum terms on which Sadat could settle. They didn’t ever accept, but they led us on. Rabin told us that failure would be a Greek tragedy: unintentionally, people bring about the consequences they most fear, because of their natures. But he has gone from 38% to 80% popularity for views he doesn’t support.
Wilson: Yes. He has acclamation and Knesset support but it has put him more and more into a corner.

Callaghan: Is there anything we can do?

Kissinger: Give them a sense that the President is serious, which I don't think they appreciate.

President: We honestly don't think the step-by-step is feasible except under the umbrella of a comprehensive proposal.

Kissinger: Unless one side or the other changes its position.

Callaghan: It is worth considering, because then we would see where we were heading.

Energy, etc.

Wilson: Let's talk about energy. I think we got some acceptance of our trying to bridge the consumers and producers. There wasn't total support for tearing down the IMF, etc. We have some committees set up on commodities.

I would like to talk about Concorde.

The Queen's visit is all set for 7-11 July.

I think we are moving on energy.

Callaghan: I think we won't break even the reasonable countries from the 77, but beneath that I think we can move on specific schemes -- on food energy and commodities. I think we can move them.

Kissinger: I think your commodity position is very constructive. We are trying to work up a commodity position now. I hope to have it by the time of the OECD. I hope we can be responsive.

President: I notice the polls indicate you will prevail on the EC poll.

Wilson: I think so. We are keeping a low profile. But the polls are unanimous that it's more than 2-1. The vote is by countries and the poll was by countries -- 2-1 in every country.
President: How about the press?

Wilson: It is too good. It embarrasses us.

[The meeting ended]
P. Egbert was very successful.

Q. Yes, it was good.

R. We look forward to Brussels and appreciate your taking the lead.

S. I think it was a good time to decide what we should do to Helsinki.

T. Concerning any co-conference week - of course, of CEC + NATO.

U. Also to form a - sit on security staff.

V. That's right.

W. What is your view on CEC?

X. Get some way to go. Will to put from join situation sticking points. Be they strongly in a stance, without being too specific.

Y. Don't confuse, I don't think I think they held him that could stay till next Feb.

Z. That's quite a change. To leave here before CEC.

A. A nice reason.

B. We can't wait before Sept because we want to really talk then. I think a little - better on CEC - so long as we don't want too much. Not sure. And we told him July.

C. Don't make promises about sitting July. Don't want him coming back in Sept. At CEC in Oct.

D. All right.

E. So then a chance he would be some papers, if we said July.

F. We said that if the was for.
We were more than Christmas. We were the spirit of Christmas.

The reason is that Christmas is a symbol of peace. It

I thought they would make a reasonable

response to meet in July.

You might be interested in their response for your

abortion-watching program or advice.

I will send Pauline a letter as soon

as I hear anything further. I will be in touch

sometime shortly after that we will announce

where we think next year can be useful. We

are concerned about Logistics and this at

the very top. I am in a very pressing

session with a very important senior officer,

who is to give his opinion in the near

future. I am really appreciative of your

approach. I would appreciate your

response to:

Somebody or

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Yes, I am quite conscious;

I know all in very well. I gave them a good account

of what they think. I said until lum was that

Stimulate rest on their side. There were chief

executives. I told them I was going to get

another offer. I told them what the facts were.

They were aware of what we were doing. They knew

the game was over. I warned they shouldn't

tread on any time

by no means asked to close if they believed

more to say, at no time before the discussion for
F. There's a great deal of evidence to show that
our approach is currently working. Can you please
tell me how this funding is allocated and used?

E. Yes, I can. I'll also provide a breakdown of all
areas and fields. Did I miss anything else?

D. I think we've covered all the important
points so far. I don't think I've missed anything.

C. I'm glad to hear that. Let's move on to
the next phase of the project.

B. I'm looking forward to it. It's been
quite an interesting process so far.

A. Me too. It's been a real pleasure to work
with such a dedicated team.
But I think I felt even in the end, to make an agreement in truth.

W. That's right. They don't have a united cabinet still.

K. The little was I arrived after a Cabinet dinner, not to inform. I said seven again would they have a chance for only 8, but in a posture. It's habit.

W. And again we're 2 of us, but that I think because they couldn't get their propaganda, any plan. But with

K. The W. Whom was I why do the Senate of more to consider. Of course he said no, he

W. Do they have any? There was no news I offer.

K. Propped to me an action sincerely. Russian being

W. In a pinch, they are presently.

K. Am I, I don't agree with there is any

W. I have heard stories about horrible fighting

K. That is, I wrote some years ago.

W. That was true of war. But if I, I think they are worried — mainly, can saboteur

K. Then is there an alt. cabinet which can be built?

W. Some good moment? If it is 10 I can say, can't you get E & more. I don't know.

K. E. They need some help. They could let I judge

W. Then I can't.
They not walking to move on Gulf.

C. Don't think so, it may fall because I can.

W. Even if optimum is ultimate guarantee it a geographical reason, so we can't. Is that right?

P. It mustn't sell anything out but I don't know that is a smart attachment.

C. I have to want to change seats out. That is a form.

K. We might want to move real just getting a guarantee time-long. Would be chief if we had to explain in detail after we would it not return in.

P. That is a very chief a difficult but in long. But it was, even if you get it all.

C. Maybe you have to put it all another, instead of being hurt around as we did.

W. Would someone ever happen?

K. It would be a magnificent. Having E & E again together, it arrives first of both, part of the C, etc.

C. Well, my wish is that you imagine only to meet for 4 days & then go to another.

K. The two are an expert siphonic that they could produce statements, even if they wanted to be helpful.

C. I think you must go back to E. Let's see what P. does in an area.

C. We would welcome knowing before your public announcement.

K. We had told E's man-in to connect with Sable.
and settled. They didn't even accept our $5,000. How can that be true? I'll call us. That figure would be a huge tragedy. It's our right to learn, and we must support.

W: Yes, they should. At least some support. It has put them more and more into a corner.

C: Of course, anything we can do?

R: Can I have a sense of closure, which I don't think they appreciate.

P: We basically don't think she's possible, but we can't put up with the implications of any proposal.

K: Unless an order changes to partition.

R: Thank you.

W: I think am about something because they say we will not have a summer holiday.

P: Every thing we say and agree upon is being shredded. We have to support for having them, etc., etc. We have some ideas of an order. We both like to talk France. I'll meet with the next 7-11 July. I think we will maybe meet.

C: I think we must take some serious consideration from a 121, but we must think that we can work on specific terms, on foot of your proposal. I think we can agree on this.

R: I think your remedy for this may be the one to work by a remedy for the one. Hope it has to be E.C.D. Might mean difference.
P. District polls indicate poor would prevail a

Be pitch.

W. I think so. We’re helping low profile. But polls are

ampaigns at more than 2-1. Note by

counties + 2% was by counties 2-1 in every county.

P. How about a push?

W. It’s the ground floor. Endorsements.

War.