MEMORANDUM
THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

Subject: CABINET MEETING
Wednesday - June 4, 1975
2:00 - 3:15 p.m.

Place: The Cabinet Room
The White House

President: I want to thank you all for the warm welcome. It makes me feel good. I feel even better since we just sustained the jobs bill veto -273-143. My argument was that winning this would set the tone for the future. If the Committees think they can just add money, they will do it; if they think the membership and the White House will hang tough, they won't do it.

I note you all were out pitching while I was away. Mo Udall couldn't stand up to Zarb and Morton. Cap gave them something to think about -- this will give the Congress something they'll be sorry about. The procedure is wrong constitutionally and I hope they choke on it. The procedure is wrong.

To get to the real business -- my trip: We left with hopes and with an objective. We could not see what the answers would be, but there were no real disappointments and some real benefits. Henry said if he had to do it again he would not structure it differently. I don't think we ought to gloat about it -- there are still many problems. But we made our points at NATO. We got the Alliance to recognize that Spain must sooner or later be part of Europe. Our bilateral arrangement with Spain contributes to the defense of Europe and they know it.

I had an interesting hour with the Prime Minister of Portugal. We were firm -- maybe blunt -- in saying we didn't like the treatment of the forces of democracy and we were concerned about developments there. Following the welcome words I asked him to describe the political system -- it was one for the books. Some governments can look at Portugal with one attitude, yet look at Spain with a different one.

There were many other points, but the overall feeling was excellent.
We then went to Spain and concentrated on the military situation. It is a difficult political situation at this time. We were welcomed by all the elements in Spain.

From there we went to Salzburg. We had two good days there. The atmosphere with Sadat was excellent. In our reassessment we want as many points of view as possible. I told Sadat that and I will tell Rabin that. When we finish, we will be in a better position to make our decisions.

We have basically three options. To continue with the step-by-step; to go for a comprehensive settlement -- that raises the problems of the borders, the boycott and all the elements of peace. But if we don't make progress in these talks, it is hard to argue we shouldn't go the comprehensive route. I am not saying we will, but it must be considered, and many -- Congressmen included -- now say it is the only way. Or we could go comprehensive with an interim step under that umbrella. We will welcome Rabin here, to get the benefit of his knowledge and views as we have the others.

In Rome we discussed the critical political-military situation in the Mediterranean: Portugal, Spain, Italy and Greece and Turkey. They are serious problems for anyone who is realistic. I think Italy, which still has serious problems, has made much more headway than anyone would have thought possible. I met with President Leone, Prime Minister Moro, and their top staffs, and then concluded with an inspirational meeting with the Pope. I heard his health was serious but he gave no indication his health wasn't good. He spoke, shook hands firmly, and discussed a wide range of things. I was very impressed.

The hours were long and we were well fed -- but I only gained a pound. Henry, do you want to add anything?

Kissinger: Let me make a couple of points that are not easy for the President to make. When we proposed a summit, many of our allies agreed only because we asked; they were not enthusiastic at all. Then it happened during Vietnam, when many thought we would come up with some razzle dazzle. We thought of coming up with a spectacular, but decided that was a bad idea.

It came out better than we thought possible. We discussed four agenda issues: problems of Western defense, East-West relations, economic and energy issues, and other problems of the Alliance. We showed we
were back in business, and not loaded down with Vietnam. It was proposed by Trudeau to have annual meetings like this -- and this idea would have passed except for the French. There was a consensus of going in the direction of our OECD and IEA initiatives. There was total agreement on East-West issues.

The President had extensive talks with the heads of Government of Greece and Turkey. On Saturday they issued a communique which showed an amazing degree of agreement and conciliation. The biggest problem is our aid cutoff. A framework was created at Brussels. The problem is who will put forward the first proposition. Another problem is the domestic situation in both countries.

In retrospect I think the summit will appear as a psychological breakthrough. On Portugal, the press is writing that we like a right-wing dictator but not a left-wing dictator. Goncalves said the only representative of the people was the Armed Forces Movement -- though they have been in Africa for 20 years. He said the parties only represent portions of the people. It's an anomaly for Portugal to be in NATO. Why Goncalves would want to remain in NATO is a good question -- for the Communists, or because his domestic situation is not ready to leave. This could be a bad signal for Spain, for Italy, etc. In Spain we are hoping to avoid a Portuguese situation.

The President has said everything that is possible to say on the Middle East, except that if we can generate the same spirit in Israel that was present in Egypt, we are in good shape. Especially with the Arabs, personal relationships are vital and here the results were superb. A mood has been created which we will hope to pursue with Rabin.

Morton: How much did you get into energy?

President: The Italians were very interested in nuclear energy. They are in a tough position -- they have no oil and they desperately need alternative sources.

Kissinger: Many of them asked about enrichment orders.

President: They want the order book open. If we don’t right away, they will be going to other sources. Nuclear fuel is an excellent lever for our long-term foreign policy. They were pleased with the moves I made on oil before I left. Subjectively they were pleased with our progress but they didn’t comment much.
Schmidt didn't think we were making enough progress economically. I showed him some statistical data which was very helpful.

Wilson is mainly concerned about the EC referendum. The polls show over 60 percent are in favor of staying in the Community.

Buchen: Was there any mention of Congressional attitudes toward NATO?

President: Fortunately we had some good votes on the Defense bill which helped. Also we noted the Mansfield statement that he wouldn't submit his amendment.

Kissinger: They said we shouldn't take the cheese case as a precedent. They would be tough on the others.

Butz: We gave as much to Europe as we could without violating the law.

President: They give us a different picture.

Dent: Is Europe optimistic or pessimistic about things now?

President: They are having their problems of recession, unemployment, inflation. They are aware of the political potential of unemployment. Italy has an election coming up.

Simon: They want an export-led recovery. They think if our economy would take off, it would bring them along. It won't really; their exports to us aren't that big. Their intra-Europe trade is bigger.

President: I had a good meeting with Giscard. He couldn't for domestic reasons come to NATO, but he wanted to make the gesture, so he came to dinner.

[There was a discussion of strip mining. Then the President asked all the members of the Cabinet for a brief progress report on their activities.]
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Thanks for your warm welcome. It was very good to see you.

Health - won't continue a few days into. My argument was that winning this would set the tone for future. If contact, they can add money, they could. I thought a 5/5 investment was not much too.

Don't say anything and getting what was away that Adel did couldn't stand it. Men can't do anything. This will go on long enough, they'll be saying about. Independence is very, very, very badly + they stay chokes, etc. The president is saying.

Took the red frosting. We left to begin - that we could not see what was going on. It did not go to disappointment. It was real stuff. I said if we don't do it again he would not understand it. I don't think a 24-hour flight on the 16th was good. We are going to put it out.

Mr. Marshall is sure that Spain can't move. Later in part from. Our related is Spain correlate to be by. Some say they know it. Had difficulty from. It is forecasted we come from - might think - in saying - with - of - instead of forces of change + were concerned what elegant following a winter - some asked him to be - could get system - it was very bad. Some got very bad at least our - Americans, yet bad. - We deny you. These are very, very, very bad. I don't want you to check - we can't check - win.
It was a slip up that cost a great deal. We were denied by all around.

From then on, I don't think I was ever alone. Always in a crowd, I was never alone. I was never alone.

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The support was overwhelming—there were so many people who supported me. It was hard to keep up, but I was determined to not give up.

I only carry a few important tools in my bag—my phone, my keys, my wallet. That's it. I think I only carry a few important tools in my bag—my phone, my keys, my wallet. That's it.

For some reason, I decided to start a new chapter. I'm not sure why, but it's been a great change for me. I think it's been a great change for me.

I've learned some difficult things, but I've also learned some wonderful things. The support has been overwhelming. I've never been more supported.

I hope this is long and we can work together.

I look forward to your support.
personal relationship and what I have a interest in

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He has been sculpted with a will to prove off being

natural. No much put out energy

P. He is very interested in new energy. He puts

it on - they have social desperately relationships.

K. They asked about maintenance here.

P. They want to be back open. If a field

away they will bring forest away. Have felt

an excellent link for a long time. They have

been pleased and wanted before stuff.

Suggest they were pleased like person but they didn't

connect with it.

Schmidt didn't think on how broken they progress

was. I showed him some things, later which

was very helpful.

Written material removed about C. E. Whiton.

P. Wooden over 60% in forest.

Banker C - interesting long attitudes toward

P. Extensive in and some good points on own end which

helped. Also solid hand held statement. Discussing

how it's all used today. Devoting then

K. They said we should take a closer look or a

creator. They would think on another

But, no more on much & use as we could also writing

claim.

P. They give us a big picture.

Don't be as optimistic or pessimistic.

P. They showed their proof of invention, understanding
He put his hands within me.

Our event at an interest in the event.

I can't really think of an event that big—bigger event.

I had good on my own.

I need to discuss.

I asked friends for help for my event on their activities.