## MEMORANDUM

## SECRET/SENSITIVE THE WHITE HOUSE XGDS WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

The President

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 & TIME:

Thursday - June 12, 1975

10:00 a.m.

PLACE:

The Oval Office
The White House

Kissinger: I think they are cracking.

President: I went to bed last night thinking there was no give at all.

<u>Kissinger:</u> These guys are the world's worst shits. His performance last night was a disgrace.

<u>President:</u> He shouldn't have been encouraged by the questions -- they didn't indicate that the Congress considers that there is an open treasury for Israeli benefit.

Kissinger: [Shows map] We are okay on the oil fields. He is prepared to let Egypt station forces in the mouths of the passes forward of the Egyptian line. He mentioned one company in each position, but privately he said we could go to two companies. I saw him alone and floated the idea of the two warning stations with U.S. manning. I thought it was essential that we be covered if the whole negotiation should blow up. His first reaction was very positive but then he asked what it would cost. That means he thinks it is a favor to them and that is the way we should keep it. You should raise it with him alone at the end of the meeting and don't appear too eager.

President: What do they do beyond letting Egypt into the western end of the passes?

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<u>Kissinger:</u> They would move their own forces to the eastern end of the passes. I think personally Sadat will refuse the offer. If he does, then there is a 50-50 chance that Rabin will use Sadat's refusal to prove that he has been forthcoming and his offer was refused. Or he may agree to some bulges in the line. That would cause him problems at home. The Israeli Cabinet would die trying to agree to something like that.

He also said they have to have assurances that no further reassessments would take place. They cannot be in a position where they would be faced in a short time with further demands perhaps followed by further reassessments.

<u>President:</u> How about movement with respect to Syria and the comprehensive approach, including Geneva?

Kissinger: I said that the urgency would be somewhat reduced.

Nessen wants to know about the briefings.

President: My reaction is that with all these complications...

<u>Kissinger:</u> We could have Sisco, or me, do it for 10 minutes. I would propose saying that we had constructive meetings, that Rabin has to report to the Cabinet and we will be in touch. Perhaps we should not say anything about the Cabinet -- that is his problem. We can agree with Rabin what I will say.

[General Scowcroft leaves for map.]

He has offered a few hundred yards in Syria and to give Asad a part of the demilitarized zone.

We could give Sadat these proposals and ask for an answer by 5 July. Then I would go to meet with Gromyko on the 7th and 8th and from there on to the Middle East to finalize the agreement.

On Iranian oil -- if we could make a deal at the current market value fixed prices, with a 20 percent discount, it would almost kill a price increase -- maybe even crack OPEC. Robinson is negotiating two deals ad ref -- one at the fixed prices and one at market prices.

<u>President:</u> Greenspan is terribly worried about an OPEC price increase. If this will stop that, I think he would favor it.

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<u>Kissinger:</u> If the interim settlement works, I would write to Khalid that we can't be working with the Arabs for settlement when they are increasing prices.

President: Why don't you talk just to Alan alone?



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