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: Thursday, August 7, 1975
9:30 - 10:21 a.m.

PLACE: The Oval Office
The White House

Kissinger: The argument is that their pushing to get out of Vietnam keeps me from getting us back in. They are spreading the rumor that I wanted to use the Nixon-Thieu letters to force you to get us back into Vietnam.

President: We have a serious problem with the East Wing. Nancy Ruwe just can't get along with the East Wing, so I have to let her go. I have got to find a place for her.

Kissinger: Maybe we can take her back. The problem is that Lucy Winchester has her job.

President: That would be good if you could.

Kissinger: Zarb and Greenspan are dragging their feet on the Iranian oil. I had a scenario ready and I have to get an answer to Ansary today. I have no doubt that they will approve it, but they want to prove their manhood. I would like to tell Ansary and you can rescind it tomorrow if you want.
President: Tell Ansary to go ahead. Let me have a copy of the letter.

Kissinger: They will go along.

On the Soviet deal. It amounts to 100-150,000 barrels of oil per day or 5 million tons per year. Robinson has worked out a swap deal of grain for oil. But if we can get the oil at 25% below the market, I think we should forget a swap and just buy the oil and sell the grain. Greenspan thinks the idea has merit.

President: Is there any way we can put all the issues with the Soviet Union together and discuss the whole thing with them -- Portugal, grain, oil, SALT, MBFR, etc.?

Kissinger: I think Portugal is not a Soviet issue. It wouldn't go away if they stopped putting money in.

President: I agree with you on that.

Kissinger: They are willing to make a five-year grain deal. If we could get a 10 million ton oil deal, we might do it. But I don't think the Soviets have it to sell.

President: A SALT, oil and grain deal would be helpful. Also, MBFR.

Kissinger: On SALT, you will have to get Schlesinger in line.

I can't be the soft-on-Communism patsy.

President: I will call Schlesinger today.

Kissinger: I think if we somehow trade off the Backfire and cruise missiles...

I plan to get Dobrynin in tomorrow and scare the pants off him. But if all these hot shots think they can keep kicking the Soviets in the pants and keep peace... Being a cold warrior in a time of peace is no great achievement. Brezhnev came back from Helsinki humiliated.

President: That is good for my American Legion speech. I told Bob to discuss it in detail with you.

Kissinger: We should review it in detail. There is an NSC meeting scheduled for Saturday. No particular reason for one, except to lay down the law.
President: Is it better to tell Schlesinger privately or in the NSC?

Scowcroft: There is merit in doing it in front of the Chairman. It gives him a chance -- if he is inclined to stand up to Schlesinger.

President: Let's have one.

Kissinger: Sum up, but say that to get a deal we need a new position on cruise missiles and Backfire.

The Israelis are leaking everything we gave them on Tuesday. It is hard to see how it can fail, but they are making it as tough as possible. If we get it, it's because Sadat is a great man. I think if we don't settle by the end of August, we should break it off and go for a comprehensive.

President: Let's press on. I am fed up with them.

Kissinger: Turkey is going very badly. Demirel is decent but Ecevit is demagoging. I am not sure they want to settle Cyprus and go after us. It looks like they maybe did make progress on Cyprus.

It is just as well we stay out of Cyprus. If the Greek-Americans scream about the settlement, we can say we could have done better.

I am worried about the Turkish domestic politics. I think it is too much to call Congress into special session, but we need a vote in the first week.

President: A special session would get Albert mad. It is not worth it.

Kissinger: You know my strategy for the UNGA Special Session. The specific issues will be presented at Vail. There are right now no big issues in the bureaucracy, but some will develop. One minor one is on the earnings stabilization fund. H____ was in last year to see you and gave the impression we could fund it simply by reprogramming. That won't work because we won't get OPEC money that way. We will need $200 million and Lynn doesn't like that. We would also want to make one commodity deal, simply for the politics. I don't know what yet, maybe copper.

On Panama, Defense is now on board. Clements and Brown have put together a land and water package. They want to go down right now.
I wouldn't do that. But send Torrijos a letter saying Bunker will resume negotiations in September. Send Clements and Brown down in September so it will look like we are getting ready to do things. Is that okay?

President: Yes.

Kissinger: You know we have been talking with the Cubans. You know we said we are willing to move on the basis of reciprocity. I said we would get in touch with them, but I have now said the next move is up to them.

President: I saw the Southern Airways going down to pick up their money.

Kissinger: Maybe I could meet with the Foreign Minister if he comes up for the UN session.

President: It would be all right if they have made some moves and if you do it privately.

Kissinger: It might leak.

President: Maybe not. They have been good so far, but it would be better if it is private.

Kissinger: The other issue is third-country trade with Cuba. We now have little reason for it. We could either change the rule or grant item-by-item exceptions. There are 21 pending.

President: Can we do it without fanfare?

Kissinger: There will be some.

President: I think it is better to change the rule than do it one by one.

I am going to be interviewed by Public Broadcasting System. I want to say something about CSCE.
K: The argument is that they pushing to get back on keep some from getting into back in. They speaking a
number that I wanted to save in the letters to
find out to get me back in.

P: We have serious problem here. Nancy was to get along after getting too 100th that
you go up. We need a place for her.

K: Maybe we can take her back. But to long term,
how for jobs.

P: That would be good if you can.

K: L Dick & Gwen you are doing that fast in a
formal style. I need more sales & I have to
got a letter to Nancy today. I hope we don't
tang with position. But they want to you-
their. Workhard. I would think I tell Nancy if
you can

P: Tell Nancy to go ahead but me home after.

K: They will go okay.

P: Sure, sale. It na 75 000 - 100,000 a year.

K: American has walked out in a happy ended of
she out. But if we can get a 9% at 25% labor
a market, I think we should forget a jump just
day a out & sell a year. American thinks a
other less need.

P: To have can we can put all in a more use
25 together in brown in sell thing out then Redtop
Queen et al. N Oct. Middle, etc.

K: I think it will in & in. For worse. It was long way
if they stop pulling among us.

P: Thank you on that.
K. Theysmith wanted to make a trip plan. Guns would
get on 10 and the whole deal, we might do it. But
I don't think anyone wants to do it. I still
P. A. Smith will be helpful, obviously.
K: On Smith, you will have to get Smith in.
I can't buy another computer.
P. I will call Smith today.
Q. I think it's something besides a backup + cruise
within.
I plan to put Doug in beaners + some without
him. But if all those but what think they can
they build in some to your parts + they will
some cold water at the same time. If there is no great
achievement, they can look for a client's home.
P. That would be my plan. I will go to
a house or whatever.
K. We should review it in detail. There is an M.I. only
right for Sat. Do you remember the one specific by dem?
K: Sun up but snap to get a cup of coffee and see
porridge. AM + be list
P. Just call thru. We sales promises in NC
S. That is most in detail it is friendly enough.
It goes from a chance if just included to
find up to sales.
P. Into them and
K. 7
The I am looking every thing we good for now.
It is hard to see how it can fit, but they
are making it as flexible possible. If we do, Smith
is a great man. I think if we don't really do end any war we should trust it off and go for

conciliation.

I felt passion. I am feeling it now.

Turkey is going very badly. It's just not doing anything. I don't think they want to stop

any more. It looks like they might do really some pretty bad things.

It just a matter of time. If they don't come to some sort of settlement, we can see we end them

somehow.

I am sure that I don't want to get involved. I think it's much better to call Cong with special

session but we need a vote in a 2nd week.

A special session would get all of us here. It's not

worth it.

If you have any strategy for special session. The

specific room will be practiced. Until now,

right now no big issues in a hearing. But

found. Someone was in last year. It is your

opportunity. We could find it easy

by reforming. That would not mean we

would get one every two years. We will need

the next 2 years. Someone doesn't like that. The other

want to make sure everybody deals equally for people.

Don't know what yet. Maybe by year.

On Somalia, Kenya. We were on board. Ethiopia

are now trying to get together a land 3 writing a story.
They want to go down right now. I wouldn't do that.
K: And send to major a little saying Bender will
return next in Sept. Paul Clement/Brown
down in Sept so it will look like we getting
ready to do things. Is that OK?
P: Yes
K: You know we been talking off a couple of
hours now and we're starting to move in terms of
urgency. I want we could get in touch with them,
but I have some stuff will move my timing.
P: coarse. Sometime going down right after that
many.
K: maybe I could meet 47 700 if he comes up for
an session.
P: Be all right if they have make sure meet you.
Don't promise.
K: Right back
P: Right will. They been good to far don't better if
it private.
K: The other issue is the court issue of now, we
have some little reason for it. We could discuss
a little a great item by item after this. Time
are 26 pending
P: Is not deal with fair face.
K: That will be some
P: I think 6'11' letter to change a little than 8'0
by one
I'm going to be returned by 7 12:00. I want to say
something about US.