MEMORANDUM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Gerald R. Ford
Gaston Thorn, Prime Minister and Minister of Foreign Affairs of Luxembourg
Adrien Meisch, Luxembourg Ambassador to the U.S.
Pierre Wurth, Ministry of Foreign Affairs Secretary General,
Lt. General Brent Scowcroft, Assistant to the President for National Security Affairs

DATE AND TIME: Wednesday, November 12, 1975
11:30 a.m. - 12:30 p.m.

PLACE: The Oval Office
The White House

[The press entered to take photographs. There was small talk about the United Nations and Mr. Thorn's Presidency of the General Assembly.]

The President: Henry is on the way back from Pittsburgh.

Scowcroft: Yes, in time for luncheon for the Prime Minister.

Thorn: He was in the press and caused us more problems with respect to the European Community in his remarks about the "seminar" [the Economic Summit].

The President: Yes, we understand the problem it creates. We think Canadian participation would have helped in that regard.

Thorn: The press has asked what is the aim of my visit. My visit has no particular motive. I am not asking for money; I am not here to berate you -- I am here just as a friend. That doesn't happen often. But I would like to exchange views.
The President: Thank you. I am interested in your opinion. What is your appraisal of the UN action on Zionism?

Thorn: It was very unfortunate -- especially when countries like Greece, Turkey and Portugal leave us. They were with us on the postponement, but not on the final vote.

The President: It has caused an emotional reaction here, especially in the Congress. There is a continuous undercurrent of opposition to the UN which surfaces at times like this. They will calm down, but the danger is that they will cut the funds.

Thorn: I shouldn't criticize the Congress, but you don't compensate for one error by making another error. Our problem -- for both our countries -- is that we have bilateral relations and UN relations. We don't combine them and make the UN an element in our bilateral relations.

The President: That is a good point. We are hopeful that this incident will have no impact on the Sinai accord. Sadat handled these issues fairly quietly and did not arouse too much opposition. We will work to keep the Congress from cutting back here in retaliation. We plan to try to keep the process going.

Thorn: The next move is up to the Syrians, no?

The President: Yes. The renewal of UNDOF comes at the end of the month. It would be dangerous not to renew.

Thorn: The UN vote means trouble. It gives the PLO the means to say that Israel is a Jewish and Zionist State and therefore to try to expel it. The main idea was to get a vote on Zionism, not to expel it. It was shrewd.

The President: What do you think about Portugal?

Thorn: I really don't know. It is a military regime without the customary attributes of one.
The President: We are mildly encouraged by what is happening, but I agree it is incomprehensible that a military regime can't maintain discipline. We are giving them $55 million. Is the European Community going to help?

Thorn: Yes indeed.

The President: It is important, since their economy is in very bad straits.

Thorn: I spoke to Coutinho last summer about moving to the left. He said, "Do you really think a military man can go to the Communists?" He said, "To make the revolution, we turned to the ranks. Now they are on the Council and it will take much time to get things under control."

The President: Now that the refugees are back, they should be an element of conservatism.

Thorn: Yes, though there is a danger of polarization in the country.

The President: I see Franco is now supposed to have pneumonia. It is amazing how he hangs on.

I though Juan Carlos handled the Sahara problem quite well. Do you like that problem in the UN?

Thorn: It has gone well so far, but Algeria is the question. I don't think they will agree to a Spanish-Moroccan deal. That is a problem.

The President: Juan Carlos certainly will have to move to the center, but we hope he doesn't do it so fast as to destabilize the whole situation.

Thorn: No. Otherwise, he would bring himself into question.

The President: How fast does he have to move, for the Europeans?

Thorn: The speed is not so important. Just so he shows he is moving would be enough.

The President: We hope he will move enough so the political negotiation with Europe can begin.

Thorn: Indeed, if he will just say "I will move very slowly," it will be enough.
The President: The whole southern Mediterranean is a problem. Italy is a problem; the Christian Democratic party has to reform itself. There isn't too much we can do.

Thorp: Yes. The problem in Italy is the Christian Democratic party has just been playing musical chairs with its leaders. There's been no new blood and the people are fed up.

Southern Europe is the soft underbelly. I am less worried about Yugoslavia than I was a couple of years ago.

Let me say a bit about the changes I have made over the past week or so. The press hasn't been accurate. I like free discussion, but it has to be without recrimination and backbiting. There had grown up a tension which I found difficult to work with, and I had to make some changes. Rumsfeld you know. He is a fine man. There may be State-Defense difficulties still, but within a framework which I hope will be comfortable to me. Bush is a fine man and I think will be confirmed. Congress forgets that CIA is all foreign-oriented, not internal. I had nothing personal against Colby. He was caught in a very difficult period. Richardson gives us a man who broadens the domestic political spectrum here. So there is no real policy change.

Thorp: I know Rumsfeld and Richardson. We don't get excited about cabinet changes -- we are more used to them. I have read that this means you will be less hard against the Soviet Union, but I believe your description.

The President: I think, as a matter of fact, that Don may be tougher than Schlesinger. I hope, incidentally, that we can move MBFR through NATO. I think it is important to show movement there.

Thorp: I agree. How about SALT?

The President: There still are some problems remaining. There won't be anything by the end of the year, as we had early hoped. There are two troublesome issues, the Backfire and cruise missiles. [He described something of the complexities involved.]
We have solved most of the strategic missile issues; just these two are remaining, principally.

Thorn: Are SALT AND MBFR interdependent for you?

The President: No.

Thorn: May I say a few things about economics and protectionism. I think we all have to fight against protectionist moves from any source.

The President: I can assure you I am in favor of lowering trade barriers. The studies we have to undertake in steel, autos, etc., are mandated by law. No one should think I am in any way behind any protectionist moves. I am definitely against them, but I cannot stop these legal necessities. We have had a serious depression -- in autos, for example. This resulted in pressure from labor, etc., to demand protection. If the industry rebounds -- as I think it will -- I think the pressures will abate.

Thorn: We have problems on both sides of the Atlantic in this area. I just hope that to solve yours, you won't increase ours.

The President: I agree. What is your view of the economic situation?

Thorn: Frankly, not good. Recovery may not start until about the middle of next year. We are all trying to cut back government expenditures but that doesn't stimulate the economy.

The President: We too have had the problem of both inflation and recession. We think we have now bottomed out. [Discussed unemployment and inflation.]

Thorn: This is important with you facing a political year.

The President: Yes. It is interesting that here the polls show that inflation is the most important issue.

Thorn: It varies in Europe from country to country.

One other point. The issue is the European Community and your meeting in Paris. I think privately that it's good you are meeting with the leaders of the big countries. But speaking for the European Community, it is a problem.
There is a tendency among some of the bigger members to want to set up a sort of directorate to work with the United States. They may try to put you in the middle of it, by saying that the U.S. insists on that structure for consultation with the European Community. I just wanted to warn you of that possibility.

The President: Thank you very much. I understand your point completely.
P: Being as one very much worse.
S: Yes, with time to learn, if I may.
T: He was in a press conference some years ago of great importance, DC in his words, about "the situation in Yemen."

P: Yes, an existential job. It exists. We think Canadian participation would have helped in that regard.
T: They want it now, but not asking for money, not to become a friend. Trust doesn't happen often.
P: What is your approach if a UN certain in Yemen.
T: Very inexplicable. Why should we? G, T, and others, that they will work on it, not on a final plan.
P: It have conceded, opposition, faction, both, support, both, that they will be in opposition to UN which depends on offers to UN, which depends on UN, even his, they will continue, but a drama, in, not with, Libya.
T: Italian not that, but you don't engage to be relied on another. Been just with one country. Some share, bilateral relations or UN relations, but that cannot, then, make UN an element.
That is a good point. We hopeful this will have us regain our human nature. What are we going to do to more effectively address the lack of human interaction? We will work to keep a clear focus on nothing but the main goal.

I: The next move is up to yourselves, isn't it?
P: Yes. The neural genes are ready for growth.

I: That would be anywhere with the number.

P: The 18th month is the 18th year of the 18th century. It means to say I is a terrain to 10,000 feet. It is the 18th month of the 18th year. It was food.

P: What you think about that?

I: I really don't know. It is a well, requires...

P: We are mildly encouraged by what is happening, but I agree it remains that a mid-series event with... in 18th century, 18th century... in 18th century. We are going to mind... do a EC... help

T: Yes, indeed.

P: It is important, think a reason is very bad...

T: I refer to contribute but somewhere don't... in this. I said do you really think a mind, man can go to a horizon? He said it make...

They are on a council it will take much.
time to get things under control.

P: Now that we have the structure in place, they should be on the move now!

I: Yes, that's the plan. It's a matter of coordination.

P: Franco seems to have suggested a joint approach.

I: Let's hurry and make arrangements.

I: That's what Cardo suggested a few days ago, but there's no agreement yet on the UN.

P: It's just a small step for now, but Algeria is a question. I don't think they will agree to it.

I: If that's the case, then the UN will have to respond.

P: Cardo and I will have to work closely, but not too closely. It's a delicate balance.

I: Otherwise, we should bring things into question.

P: There's a lot to be discussed with the EU.

I: The goal is to be clear on what needs to be done. We will have to work hard and be clear!

P: We have to insist on making it clear, right?

I: Indeed, it will just take time to make it clear, it will be clear.

P: The whole continent needs more. Italy is a fact, and we need to reform itself. There's no other way for us.

I: Yes, there's a fact in Italy and CPO has just been playing musical chairs with its leaders. We're all blind in a fight and flaying.
S. Eise is a soft unctually. Jan 7th
around 40 yrs ago. Than I was a young girl.

P. 
I met several years at a level where I don't
wonder they're able to lift in,
but not say a bit about changes they made
over past weeks as. The firm hasn't been
accurate.

I like fun discussion but it has to be free
from emotion + instability, I think
that's going to a.Cia in which I found big
to work with. And it does take some changes.
Roosevelt said longer. He a fine man. That
may be 2 day: big talk but without
a framework which 2 big will be
enough. The Bush is a fine man +
and if will be convinced. Can't forget that
C.R. the old foreign nation. But Russia.
I heard nothing personal against John. He was
caught in a very big period.
Richardson picks a man who is common,
not a domestic, political leader. So Sure is
very real going change.

T. I know Roosevelt + Richardson. We don't
get involved and don't change as we move
in that. I have read the names
upon will be less hard against e.g. So, but
structure upon without change.

P. I think, as everyone just, that Do is say

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lie. I think that's the problem. I agree, incidentally, that we can serve MBFR better than NATO.

T: I agree. How about Spur?
P: There is still one more thing to discuss. There won't be anything solved in a year, so we
wouldn't agree. There are a number of areas - Biermark, 9, 16, (discussed earlier),
15 (potentially important). We have a lot of current support since, first time in over
10 years.

T: Do you think MBFR could have helped here?
P: No.

T: I can see a few things about economic
protection. I think we should be fighting
against protection to mean more for our cause.
P: I don't agree. As in process of bringing
of trade barriers, I'm standing in cold, huts,
etc., I am mindful of how, how one could
think I'm in any way behind any
protectionist means. I am against, but I cannot stop these legal necessities.

We have had a tapering off in
exports, for example. The result is pressure
from labor, etc., to demand protection. If
wages rebound, as I think it will, I think
a pressure will continue.
T: We have just come back from Belgium. I think that's where I saw you the other day.

P: Yes, I saw you in Brussels.

T: Friendly. Not good. Running out of money. Middle next year. We are all going to have to pay more taxes. We think we have more legislation out.

T: This is important. It's going to be political.

P: Yes. It's interesting that in these polls show that inflation is most important.

T: It's worse in Europe. From unity to unity. One other point. The issue is EEC and your

P: The EEC is a joint agreement among member states.

T: It's amazing how the EEC has already worked. It's going to be a great stimulus to trade and U.S. trade. It's going to be a great stimulus to trade with the EEC. I just wanted to warn you of that possibility.

P: Thank you very much. I understand.

T: Not completely.