

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
Presidential Libraries Withdrawal Sheet

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Chancellor Helmut Schmidt

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

BY dal NARA DATE 3/30/09

PARTICIPANTS: President Ford
Helmut Schmidt, Chancellor of the Federal
Republic of Germany
Dr. Henry A. Kissinger, Secretary of State
Brent Scowcroft, Assistant to the President
for National Security Affairs
Hans-Dietrich Genscher, Vice Chancellor
and Minister of Foreign Affairs

DATE AND TIME: Thursday, July 15, 1976
11:00 - 12:38 p.m.

PLACE: The Oval Office

SUBJECTS: Bilateral Relations; Nuclear Weapons Use;
Italy; Portugal and Spain; Soviet Union

[The press came in for photos. There was light discussion of German politics. The press then departed.]

Bilateral Relations

The President: Mr. Chancellor, it is great to see you again. We are grateful for the outstanding generosity of the German people. I look forward to continuing this fine relationship.

Schmidt: Thank you, Mr. President. You should have no doubt I meant what I said on the lawn. It is a most valuable relationship for me. We had a poll in Germany as to who was the most valuable friend of Germany. The United States won over 60%.

The President: Our first meeting was in December 1974. It set the ground work for the economic recovery which has followed.



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Schmidt: How do we get this out? The economic recovery is the result of actions taken by the United States, the Federal Republic, France and Japan. It did not happen by accident and people don't realize that.

The President: History will show it.

Schmidt: But that won't help our elections.

The President: What should we discuss?

Schmidt: I think we have no bilateral issues worth discussion -- except maybe things among the ministers and the Northern Brigade. I am interested in the broader aspect of that.

I would be interested in the Olympic situation and Canada's curious position.

The President: [Describes the current situation.]

Schmidt: I was not aware of the heating up of the situation and the immediate reasoning for the decision. I gather you feel governments should stay out of this. On the other hand, the breakup of the Olympic games would have a great international impact -- I can't even judge what it would be.

Kissinger: It would have a great impact in Peking. It is hard to figure Canada out. It could create precedents for 1980.

Schmidt: It could even result in our exclusion in 1980. I wonder if our aides shouldn't discuss this. Once this precedent is set, host countries will almost be forced to discriminate by their own politics. Let me think aloud. If I had known this beforehand, I would have called Trudeau to tell him he could be putting us in a difficult position in the 1980s.

Kissinger: It could create problems for the Soviet Union with a number of countries -- Israel, South Africa, and so on.

Schmidt: Herr Genscher, would you give more thought to it over lunch? I may want to call Trudeau this afternoon. It gives us real problems with Berlin.



Nuclear Weapons Use

Kissinger: On the Chancellery. On the first point, the financing you both needn't discuss. The other point is consultation over the use of US troops committed to NATO. I told Genscher we wouldn't give a veto over the use of our forces, but there would be an exchange of letters.

Schmidt: There is a precedent. I believe it is the exchange between Johnson and Kiesinger on consultation prior to the use of nuclear weapons on German soil.

Genscher: I think the Johnson-Kiesinger letters give us a veto over the use.

Schmidt: We are not talking about veto but consultation. The two Foreign Ministers can work it out -- you send us four or five lines and I will respond with two or three lines. We have no intention of making the earlier letters known. I think we are thinking of two exchanges -- but on the brigade the President and I don't need to be involved.

The President: I had a nice meeting with Leber.

Schmidt: He was delighted.

The President: He's a good man.

Schmidt: He is a reliable person. The opposite of an intellectual.

Kissinger: Are you saying intellectuals aren't? [Laughter]

Schmidt: They tend to be so.

Italy

The President: I am always impressed that when you travel you have labor people and industrialists with you.

Schmidt: Why don't you adopt it in your next term? We can't succeed unless we can get our trade unions to act responsibly. The fact that



you shake hands with the leader of the world's largest trade union -- bigger than yours -- means a great deal to them. It really makes a difference.

Kissinger: You also have two scientists.

Schmidt: [Describes the two scientists.]

The President: I think it is an excellent idea and I am seriously thinking of adopting it.

Schmidt: I draw your attention also to the "thick" man. He is on the board of Mercedes. He is the German counterpart to George Meany.

The President: How are we coming in our approach to Italy?

Kissinger: There was a meeting this week, and we agreed on a common approach. Each country will send people to talk to different groups in Italy. We are sending Bill Scranton, Cabot Lodge, and George Meany. The instructions are: we are opposed to having Communists in the government, and we are opposed to a common program because we are afraid the Communists will get credit for any success. I think there is a reluctance in Great Britain -- Crosland at least seems reluctant.

Schmidt: I think you will have to get to Callaghan. One thing is important. In my discussions with three Italian leaders, they have said no economic program has a chance unless labor cooperates somewhat. And they are Communist. Henry, you should talk to my union people. I suspect it is an accurate appraisal. So the question is how to pull in the trade unions. It argues for some sort of Communist involvement.

The President: Are they all Communist?

Schmidt: There are three -- Christian Democrat, Catholic and Communist. They are all very left, though.

Kissinger: There is no doubt it is easiest to work it out with the Communists, but our worry is the Communists are taking credit for any joint program. If we can get their abstinence or acquiescence in a Christian Democratic program, fine; but otherwise, what do we achieve?



Schmidt: I don't know the answer. We must not encourage Communist influence. Henry, please talk to my two labor people.

Kissinger: I will mention it tonight and set up a meeting tomorrow.

Schmidt: We had an EC meeting this last week. Rumor and Moro were there and they said nothing at all which made sense. I don't know how they govern. I think it would be helpful if the US passed word to the EC Commission to fall in line. They are already preparing a Marshall Plan for Italy. We have done it, but I think if you add your word it would be helpful. If the Italians think this will happen, nothing at all will happen in Italy.

Portugal and Spain

The President: I think things in Portugal are working out well.

Schmidt: I am quite proud of it, but I am afraid they will make great mistakes in the economy. Soares is not an economist and he is an ideologist. They are already nationalizing too much -- they should be going the other way.

Kissinger: The best would be a coalition between the Socialists and the PPD.

Schmidt: If only the leaders would like each other a little.

The President: What do you think of what Juan Carlos has done?

Schmidt: I can't judge.

Kissinger: He wanted to get rid of the Prime Minister, and he has done it. But he didn't count on the resignation of the Foreign Minister and Interior Minister.

Schmidt: The question is whether this young man has enough strength.

The President: I was impressed with the King. Areilza was quite rude to him. I think we are in for some good progress, but their inflation is worrisome.



Soviet Union

Schmidt: Would you tell me about the Soviet Union and your personal relations with Brezhnev?

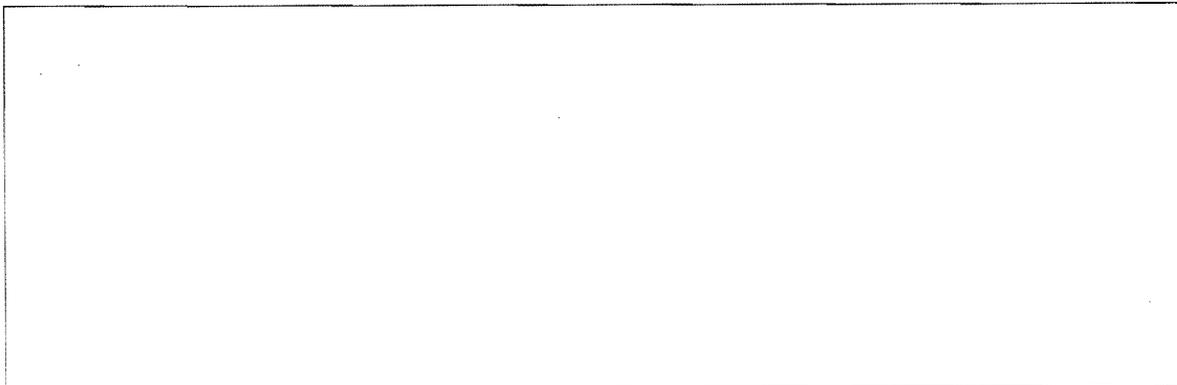
The President: I haven't seen him since Helsinki. We are now in the process of deciding what to do on SALT.

Schmidt: Please don't write this down, but Gierak -- I really think quite highly of him -- told me that he guesses you [redacted] [redacted] brief me on developments. That, anyway, Brezhnev does it for him and he, Gierak, frankly doesn't believe what he is told. Brezhnev tells him that the United States has a massive building program under way and is making major new efforts in the strategic field.

Kissinger: [Discussed the Defense briefings of the same type.]

The President: My impression is Brezhnev really wants an agreement on SALT. I would say the chances are about 50-50. Isn't that what you would say?

Kissinger: There are only a few points left -- Backfire and cruise missiles. Since Vladivostok, 90% of the concessions have been made by the Soviet Union. In fact, I can't think of any we have made. They have given us the MIRV counting rules, and throwweight limitations.



Schmidt: May I come back to Brezhnev. Is he more on his own than at the beginning of the year, or is his health increasingly limiting him?



The President: I would have answered affirmatively, only a short time ago, but his health seems to be improving now.

Kissinger: I think he is more in charge now, but his health gives more freedom to Gromyko.

Schmidt: I had invited Brezhnev for a visit, but during my campaign I didn't want such close identification, so I postponed it. Brezhnev was a little annoyed. The Conference of Communist Parties which was recently held was a curious phenomenon.

The President: Why did Brezhnev hold it?

Schmidt: I think he had so much prestige involved that he felt he could not cancel it. It is hard to assess how much it means, but Berlinguer sounded like Tito in the late 40's.

Genscher: You have a 12:30 appointment, Mr. Chancellor.



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