MEMORANDUM

THE WHITE HOUSE
WASHINGTON

SECRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
Helmut Schmidt, FRG Chancellor
(by telephone)

DATE AND TIME: November 23 (?), 1976

The President: I hope our friendship will continue.

Schmidt: I am glad to hear that. I wrote a long letter in which I mentioned the same thing.

The President: I won't be in the government but I will be active and would like to maintain our close relations.

Schmidt: You are expressing my sentiments exactly. These things are bigger than the vicissitudes of political office. It was so close. I could have lost and you been elected.

The President: (Described what Callaghan said) My feeling is they should go back to try to accommodate on that half.

Schmidt: It is in the economic interest that we impose strong conditions on the British. We should not go so far as to overthrow this government. There is no one else to take the reins and there may be a period of disorder which could affect us all deeply.

The President: That is exactly what I told my people.

Schmidt: So we need to find a point which will do the job but not be politically unacceptable.

The President: That is exactly what I told my people.

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SCHEDULE OF EXECUTIVE ORDER 11562
EXEMPTION CATEGORY 5(B)(1)
AUTOMATICALLY DECLASSIFIED ON Imp. to Det.
Schmidt: So we need to find a point which will do the job but not be politically unacceptable.

The President: That is what I think.

Schmidt: If Callaghan had to resign, that would set us back.

The President: Let's go on that basis. I think Jim may be able to go farther than 9.5 but maybe not to 9.

Schmidt: I replied in a similar way to Callaghan.

I will come as far as possible but not take final decisions. I will send Poehl to London to meet with the British and Yeo or Simon.

The President: That is very good. May I raise one additional point - oil prices. I am very worried.

Schmidt: So am I.

The President: We have been working very hard on the key OPEC states. We were working for a zero increase but certainly no more than 5%. 10-15% would be disastrous.

Schmidt: I agree. And I would be ready to add my voice to yours. But if so, could we have the arguments you are using so we can take the same line?

The President: I have considered a high level delegation, but we will try everything else first. We don't want a delegation to go if it would only return empty handed.

Schmidt: Are you operating at the highest level with these countries?

The President: I have sent personal letters to Saudi Arabia, Iran, Venezuela.

Schmidt: Could I see what you have told them?
The President: Of course. Scowcroft will get them to you.

Schmidt: I am worried about UNCTAD, the CIEC meetings on raw material prices, the common fund, and debt settlement. Could we use the excuse of your new action to seek a postponement.

The President: All right if you do it. It wouldn't be right for me to do so.

Schmidt: Do you agree on a postponement?

The President: Absolutely.

Schmidt: One other point. Should I get in touch with Carter?

The President: I think it is slightly premature.
P Schmidt Phone Call
23 Nov 76

P Hope one friendship will continue
S Worked hard for that. With a
long letter in which F expressed;

P I want my help in
autism would like to maintain our
else relations.

S You are expressing my feelings.
I have, therefore, made a bigger
than a presentation of your paper
of this recent. I would have to
some more with.

P (Described what you said)
my feeling is, they should go back to
that accommodation that I
S If in the next meeting, we could
anywhere
19
We should walk 70 or so for the
throw this year. I am also

To take a week or two away or
a period of discussion with the world
offset we can apply

P That is exactly what I told
myself.
S So we may find a point which
will be for you will be felt
impossible

P That is what I think
S If Dallas has he will resign

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E.O. 12958, SEC. 3.5
NSC MNO, 110448, STATE DEPT. GUIDELINES, 06/12/74, 03/14/74
BLUEPRINT
that would suit our needs.
P But we must think first. I think you may be able to go faster than 7.5 mph
maybe not 7.5.
S It could be 7.5.

Concern as far as possible not
rate first division
P Then I
would send Daudt to bolster
force to 6-8+ Yes/No
P That may goad, hey, I suppose
could go to 6-8+ and perhaps, why

S Seems fine.
P Can have him working very hard
on my OFC stage, we working
for 9, but certainly no more
than 5% 10-15% would be
reasonable.

S I agree. And I would be ready
to address some to you. Best
P so could we have components
from one using to us for China.
P I mean can we? Will be huge deal
delugation, but meeting everything
S But we must delugation to be if
it would return promptly handed.
S. can you operate at night?

P: Please send personal letter to

S. D., June, June.

S. Could I see what you have in

the

P: Operator. Scott will get them

to you. Uh, she, etc., etc., etc., etc., etc.

S. I wrote eabout consistency plan

credit withdrawal. Continue use

exposure fee of 3 per cent for proof

P: All right, it's, oh, it's

in right form to do it.

S. Do you agree on performance

P: Absolutely

S. and seem much, should I get

in touch with, etc.

P: I think it's, fairly, precaution.