MEMORANDUM
THE WHITE HOUSE
WASHINGTON

SECRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
Dr. Henry A. Kissinger, Secretary of State
Brent Scowcroft, Assistant to the President
for National Security Affairs

DATE AND TIME: Tuesday, November 23, 1976
9:10 - 10:10 a.m.

PLACE: Oval Office

SUBJECT: President Ford's Meeting with President-Elect
Carter

President: The meeting was interesting. I anticipated having only five
or ten minutes alone with him [Carter] but he wanted to discuss foreign
policy, so we talked for almost an hour. He wanted to discuss the same
subjects as he did with you. He wanted to know what problems we would
solve -- and hoped we would settle Panama. I told him it was very
doubtful.

Kissinger: So did I.

President: He was interested in SALT.

Kissinger: He wants to stick us with a freeze.

President: I talked about that and said it was very disadvantageous,
that it would leave them with higher numbers.

Kissinger: So did I. He says we have a technological advantage.
President: I told him there were verification problems on that, too.

Kissinger: It is not even necessarily true we are ahead on technology. We might have to trade cruise missiles for Backfire.

President: He didn't mention Korea.

Kissinger: I told you he mentioned Schlesinger telling him about the Koreans offering us an island and then we could withdraw. I told him that was hogwash.

President: He wanted to know about NSC operations. He asked about the British financial crisis.

Kissinger: [To Scowcroft:] Have we heard from the British?

Scowcroft: Not yet.

[Discussion of the debate with Treasury and the Fed.]

Scowcroft: If we get to a sterling negotiation, you should talk with Treasury and Burns to make sure they follow your orders.

Kissinger: You don't want to get stuck with sinking the British. Joe Kraft had a piece on it today.

President: On meeting with the European leaders, Carter asked me a question in front of the press. They didn't report it accurately, but I had to say something.

What is going on with the CDU and CSU?

Kissinger: That really changes the political complexion in Germany. It is a power play to get rid of Kohl. It's a Reagan-like move; it's Strauss's last chance.

President: What does it do to the FDP?

Kissinger: It complicates things. If now the CDU moves a bit to the left, it could take votes from Genscher and put him below 5%.
President: After you left the meeting Friday, we discussed oil prices. Then on Saturday Arthur Burns told me he was very worried about the impact of a price increase. He thought a delegation should go there, headed by me or the Vice President. I told him I would talk to the Vice President. The Vice President mentioned the oil deal with the Shah.

Kissinger: We can't get it now. There is no shortage now. We could have gotten it last summer. It would be humiliating for you to go. You would have to come back with no price increase if you were not to be humiliated. I feel the same way though less so about the Vice President's going. If you really feel strongly, he could go. If you feel you need it -- but the Europeans aren't doing much, and you have no clout. I just don't think it is the thing to do.

You could call in the Ambassadors.

President: That as a minimum we should do.

Kissinger: That would be a useful thing to do.

President: Let's set that up for early next week. I want to be well prepared, with the facts on the economics, political support, etc.

Kissinger: On the economics, you have a tough agreement with the Shah. He will show how we jacked military prices up 80 percent over the past few years. The best is the political argument -- that you will have to blast them for an increase and that they shouldn't put themselves in a bad light when they need our help in the Middle East.

Burns is irresponsible making a recommendation like that.

Scowcroft: He is concerned about the world financial impact. [He described what Burns and Greenspan see as the impact.]

Kissinger: I agree with that, just not with his prescription for dealing with it. Maybe we could get it postponed. I would call in the Saudi first. Zahedi, of course, is such a fool. What he will report will bear no relation to what you tell him.

[There was a short discussion of Carter and his advisers.]
Kissinger: I spoke with Dobrynin. He said to get SALT now he would have to insure that Carter was on board.

President: I think Carter would buy almost anything. But to negotiate with him, the Soviets, Defense, and Ikde at the same time.

Kissinger: That Ikde is vicious. [He described a story he gave the New York Times about Kissinger.]

President: Brent knows what I would have done about Ikde had I been reelected.

[There was a discussion of the Washington Star article on NSSM 246.]

Kissinger: The Israelis want landing rights at Miami. I don't know whether you want to do that before you leave. You know Carter will do it. The Syrians and Jordanians want landing rights too. That is a good idea but I don't think you can do it without doing the Israeli thing.

President: Have you heard any rumors about who will be Secretary of State?

Kissinger: The latest is Muskie.

[There was a discussion of Carter's selection process.]

If it were Muskie, there is the problem of Zbig. You can't have two Poles in the top jobs.

President: His views are on the record. He's not strong in foreign policy.

Kissinger: I don't know how you can have a President who knows nothing about foreign policy and a Secretary of State also.
P/I
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P. The only one interested. I went to Ploesti only to report the flame to him, but he
wanted to destroy Ploesti, so we called for
Kessler to come. He wanted to discuss in
some subject. He did not want to know
what we wanted. We told him we would settle
P. It was all
K. I asked to
P. He was interested in S.P.T.
K. He wanted to drive to a fringe.
P. I asked what it was and he
K. So I did. He says we have to advantage.
P. I told him that we cannot do
K. But then we could make
P. He did not mention Kess.
K. I told you he was interested. Sabatelli
K. I told him about Kessler's offering on an internal
total we could or should. I told him that
K. He wanted to know about NCC operation.
K. He asked about a British financial
K. He was ahead from Berlin,
S. Not yet.

DECLASSIFIED
E.O. 11905, Sec. 3.5
NSC Memo, NSC/DO, State Dept. Guidelines, Chart 13, 23 Oct 1964
By: , NSC Date: 21 Jan 1965
(Dimension 8" x 10" photo of Texas + Feb)

5. If we get 3.4 we should study again. Any
    talk w/ Tomass + Banks to make sure they
    are budgetary

K: you don't want to get stuck w/ standing
    in budget. Joe Kraft needs a piece or M
    today.

P: On top w/ E on budget corroboration
    on equation in front of prices. They
didn't report it accurately but I had to
    say something.

What is going on w/ C & Eliz.?

K: That really changes a lot. Everytime in
    January it is a game plan to get rid of
    C & Eliz. It is a New Year - like move.
    S

last chance

P: What does it all add up to?

K: Completely different. If we are C & Eliz.
    a little shift, it would take weeks from
    January to put them below 5%.

P: After you left with Filbert, we
    discussed and prices. Then Sat. Burns
    told me he was very concerned about
    impact of prices. Business stabilization
    go through several by me in VP told him
    I would talk to VP. VP mentioned

K: We can't get it right. That is no
    shortage now. We could have 1st quarter
It would be humiliating for you to say you would have to come back up. If you want to be humiliated, I feel some bet the executive VP. I think you can still involve me. If you really feel strongly, I can help. If you feel you need it, but I was not aware of the mindset you have on client. I just don't think it is a thing to do.

You would like to understand.

P: That as a minimum we should do.
K: That would be a respectful thing to do.

P: Let's set that up for early next week.
I want to be well prepared, self-contained, total support, etc.
K: On can you have a 6 PM against VP. He will there has no problem with price & is even paid for your. The estate is good agreement. That year will have least than for an increase that they should put themselves in a bad light when they need more help in CFE.

Because it means making a decision like that.

S: He is concerned about the world financial impact. (Dealing with Bureau/Account.

I agree on that. Just not this prescription.
for doing so. I'm sure we could get it properly. I would call in a Sandia 1st. I think, of course, in such a port, what we will expect will have no relation to what you tell him. (Letter also mentions of Carter + his admirals)

K 2 spoke of Oly. He said he got Carter very much here and he suggested that Carter was on board.

P 1 think Carter would buy about anything.

But to recap my Chim. (Sorry, Olly, He)

K That Hik is winning. (December a story to your NYF about Hik)

P But what more about what I would have done about... He is letter had been selected

(Discussion of Wash Star art, on NSSM exc

K The Israelis want landing rights at Eilat. I don't know whether you can deal that before you leave. You know Carter will do it. The Syrian/ Jordanians want landing rights. That is good idea, but I don't think you can deal with it.

P How you thinking comes about Sea State?

K The latest is... (Discussion of Carter selection process)

If it were Bush, there is good of Doig. Can't have two Betty in trip jobs.

P He says someone needs... Will Strong for P.
I didn't know how you can have a Press who knows nothing about F-P & S-C. See S. Katz, also.