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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Gerald Ford
Bruno Kreisky, Chancellor of Austria
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: Monday, June 2, 1975
7:30 p. m.

PLACE: Schloss Klessheim
Salzburg

The President: Everything in Austria since we arrived -- the warm reception, the facilities, your warm hospitality -- is just perfect. It almost convinced me to forget Rome and stay here.

Secretary Kissinger: I can't convince the President how hard it is to conduct a conversation with Moro.

Chancellor Kreisky: He is a very quiet man. Saragat used to like heavy wine. After drinking too much of it, he said "Italy doesn't exist. It is the fiction of a bankrupt French Count in the service of the duchy of Piedmont."

Secretary Kissinger: That's not bad.

Chancellor Kreisky: They are all faithful to their local area. There is no national feeling. It is the most divided country in history.

The President: They have made a good effort in the past year to pull themselves out of their political difficulties.

CLASSIFIED BY Henry A. Kissinger
EXEMPT FROM GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
EXEMPTION CATEGORY 5(B) (1, 3)
AUTOMATICALLY DECLASSIFIED ON Imp. to determine

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DECLASSIFIED
E.O. 12958, SEC. 3.5
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES, STA Services 3/19/04
BY [Signature], NARA, DATE 5/17/04

Chancellor Kreisky: If I can be frank. They are good neighbors and we are very friendly. But they are very corrupt. There are only two parties, the Christian Democrats, the Liberals (Republicans?), a very small left party; and the Communist. They have a very disciplined party. The Christian Democratic party is partly corrupt. It is too early to judge the Communist party and its independence. There are two Communist parties in Spain -- one belonging to the Soviets and one fairly independent. They are not really underground but somewhere in between.

In Italy, the Socialists are the strongest in northern industrial area. The Communists are strong in the south. The Communist party is the party of the poor. The worst parts of Italy are still very feudal.

The President: Your in-depth briefing of your talk with Sadat was very useful. It brought me up to date and helped me a great deal. I had four opportunities to talk with him. I think he is an extremely impressive person. Broad, articulate, and anxious for a settlement, not only because it is right but to get something for Egypt.

I explained the Congressional situation with him -- the letter of the 76 Senators, my disappointment at the failure of the step-by-step. I never thought more that we were in tune with Israel, only to have it fail. I was damned disappointed. We are taking a broad look. If we are betting, unless there is some clear indication of progress, we will have to go to a comprehensive settlement. I have a much, much better appreciation of Sadat's feelings; his impressions and attitudes. No progress means war, an embargo, and isolation of Israel. I see few leaders in the world who are carrying the torch for Israel. Without progress, the U.S. will be faced with the Soviet Union, Europe and Japan. That is not enviable for Israel or for the United States. So we have to keep things moving. If there is no movement, we have to go to Geneva with a comprehensive program. I think Congress would be understanding. Henry, what is your judgment?

Secretary Kissinger: If Israel is flexible, Sadat will do what he can. He would look for the possibility of a step-by-step, but it depends on Israel.

Chancellor Kreisky: Your assessment of Sadat is exactly right. He wants peace; he is preparing the ground for cooperation. I believe war means for him -- like Clausewitz -- a continuation of war by any other means. If this policy -- which is risky for him -- should fail, I think he will fall.



He said to me yesterday: "There will be no war because I don't need a war." I don't like to alarm but I am concerned he will be patient to make the effort, but before he concedes and gives in . . .

Secretary Kissinger: He will be seen as a fool who banked on the West.

Chancellor Kreisky: He will be finished. No Arab leader has Nasser as his predecessor.

The President: I think Sadat is a very proud man. Rather than be humiliated, he will go to war. A renewal of hostilities would be easy -- Syria is ready; they have been armed by the Soviet Union. If there is no movement, the situation will inevitably become a conflict.

Chancellor Kreisky: Sadat has substantial reason to be cooperative. He is worried about Libya.

The President: Yes. He was very firm on that.

Chancellor Kreisky: There are many problems in the Arab world.

The President: Have you met Qadhafi?

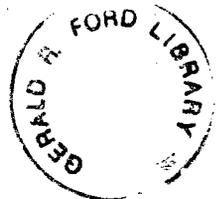
Chancellor Kreisky: He is very young, very calm.

The President: Calm?

Chancellor Kreisky: Yes, he was very calm. Libya has only one fear -- Egypt. They have only Egyptians and Sudanese working there. They have tremendous construction there; there are a fantastic number of boats coming into the port. They are reducing the number of Egyptians. They have at least 150,000 from Sudan -- also a lot of Pakistanis. Qaddafi hates Sadat. Not so much the others. I am convinced he wants to change the system and that he was behind the scheme against Hassan. His relationship with the Soviet Union is directed against Sadat.

The President: He [Sadat] is worried about the arms going in there and the chance of even Soviet armed forces there.

Chancellor Kreisky: The Pakistanis run the airways and fly Qaddafi's plane. At least 50 percent of the Mirage pilots will be Pakistanis. He is religious. He knows a lot about theoretical questions.



Secretary Kissinger: He is showing an interest in coming to us.

Chancellor Kreisky: I never saw much growth. They have money and no people. Egypt is a very poor country.

Thank you very much for coming. I leave here tomorrow.

The President: You have been a perfect host.

[The meeting ended.]



P / Krishna / K

2 June 75

P Everything in Austria since we arrived were
messy, frustrated, your woman long, just perfect.
Almost convinced P to forget Rome + stay here

K Can't convince P how hard to construct environment
w/ them

K: He was quite nervous. Saragat said & then long
time. After some days he said Italy doesn't exist
at a future for Lombardy Fr. Court in
service of a duchy of Piedmont.

K Not bad.

K: They are all faithful & their local ones. ^{wait} No ~~more~~
felling. That devil country in history

P They have made a good effort in past years to pull
themselves out of predicament.

K: If I can be frank. They are very friendly & are very
friendly. But they are very corrupt. Only 2 parties
Cham. Liberals, (Report?) a very small left
party; and a Court. They have a very disciplined
party. CD is partly corrupt. Too early to judge
a Court party & its impact. There are 2 Court parties
in Spain - one belonging to Suro & one friendly
subject. They are not really underground, but
somewhere in between.

In Italy's situation and struggle in the industrial
area. Must have strong in S. Court party is party
of power. Cause parts of Italy are still very feudal.

P You in depth briefing of your talk w/ Salati.
very useful. Should have up to date & helpful
in my 4 opportunities to talk w/ him. I think
he strongly impressive person. Broad, astute -
confident for a settlement not really because it
right but to get something for E.



I explained how it works (letter of 7/6),
disappointed in fortune of us. I was
thought more we were in time w/ (I only
to have it paid. I → damned day.
We taking a small look of we killing, unless
there is some clear in history of prog, we will
have to go to congress. I have some
much better of Sadat's feelings, intentions,
attitudes. In prog means war, withdrawal,
evolution of E. I see few leaders in world
emerging such as I. w/o prog, US is faced w/
SU, France, Jap. That not enough for a part of US.
Some think anything more. Some think
we have to go to Congress w/ a strong prog. I think
Congress would be understanding. K?

K of E think, Sadat will do what he can. He
will talk for possibility of E, but it depends
on E

K2 You assessment of Sadat ^{was} right. He wants
peace, pay our ground for corp. I believe we
are for him - like Community - continuation of
peace by any other means. If this policy - which
is not for him - should fail, I think he will
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war because I don't need arms. I don't like to discuss
but I continued to sell to Pakistan & make
effort, but before he ~~can~~ succeeds, give
in...

K a just ~~man~~ who worked on what

K3 He will be finished. Sadat doesn't think

The Arab leader has ~~passed~~ as his intention

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be intimidated he will go & was. Planned
hostilities he says - Syria ready, was
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K: Sadat has sub. reason to be wary. He worried
about Libya.

P: Yes. He very firm on that.

K: There are many poles in that world.

P: How you met Qaddafi?

K: He very young, very calm.

P: Calm?

K: Yes he very calm. Libya has only one fear -

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plane. At least 50% of Mirage pilots will be Pak.

Heavily. It was a bit about theoretical questions

K: He strong interest in coming to us. He I never see

such growth. They have money & no people.

It is very poor country. Thank you very

much. I love her to

P: You were perfect host.

