

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

~~SECRET~~/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford  
Mrs. Margaret Thatcher, M. P.,  
Leader of the Conservative Party  
Sir Peter Ramsbotham, British Ambassador  
to the United States  
Lt. General Brent Scowcroft, Deputy Assistant  
to the President for National Security Affairs

DATE AND TIME: Thursday, September 18, 1975  
11:00 - 11:30 a. m.

PLACE: The Oval Office  
The White House



[The press was admitted. There was small talk about the press and about Mrs. Thatcher being the first woman party leader in the West. The press was then ushered out.]

The President: We have our share of problems here, as do you and the rest of the Western countries. We think it is essential to reiterate and demonstrate our willingness to work with the West Europeans. I think Brussels and Helsinki indicated that desire.

Thatcher: We think that is vital. We also have common problems -- such as what to do with a world in recession and inflation.

The President: I know you are concerned about us. We are making headway in coming out of the recession. I know you have unique problems.

Thatcher: We do. We have lost 18 months. The recession is slowing down. We politicians don't seem to be able to warn people beforehand in a way they will believe.

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EXEMPT FROM GENERAL DECLASSIFICATION  
SCHEDULE OF EXECUTIVE ORDER 11652  
EXEMPTION CATEGORY 5 (b) (1, 3)  
AUTOMATICALLY DECLASSIFIED ON Imp. to Det.

DECLASSIFIED  
E.O. 12958, SEC. 3.5  
NSC MEMO, 11/2/80, STATE DEPT. GUIDELINES, STATE REVIEW 3/11/04  
BY MA, NARA, DATE 10/3/04

The President: We find the same problem, especially in dealing with energy. We have been trying for years to alert people to the fact that an energy problem does exist. It hasn't really hit home that prices and our vulnerability will go up and up. Only during the embargo were we able to make our point.

Thatcher: That's right. We are never able to make our points the way the Communist societies do.

The President: We go about it differently. [Laughs].

Thatcher: But they also use good techniques -- publicity, repetition, etcetera.

The President: Our inflation is now down to 6-7% and unemployment is 8.4%. But the polls show that inflation is a bigger problem than employment.

Thatcher: That is a wholesome thing.

The President: It is. It lets us avoid doing things which would contribute to inflation in order to deal with employment. There hasn't been the pressure -- the marches, etc. -- about unemployment. We do have an automatic increase in the transfer payments because of unemployment but we are not being forced to take extraordinary measures. But we also have to get transfer payments under control.

Ramsbotham: When people run out of compensation, will this change?

The President: My theory is that the uncertainty about more people losing their job is a real problem -- and this caused the Republican clobbering in 1974. Next year we think unemployment will gradually decline. We will still have the problem of heavy unemployment, but the ones with jobs will feel more job security. That should translate into votes.

Thatcher: I think also other countries -- France and Germany -- are aware of the problems of inflation. It is good for the world economy that we aren't rushing for solutions. I am very strong on this.

The President: Yes. I have been accused of Hooverism and Coolidgeism, but the American people are beginning to learn that these quick fixes aren't really the answer.

Thatcher: I agree they have more common sense. I see the same in defense matters, but perhaps that is just my generation. But I have no difficulty saying our society is worth defending.

The President: We have a specific problem from Vietnam -- but I think that was good timing. There has not been the pressure this year on the budget and Mansfield Resolution ideas that we used to have. There is a growing idea we must be strong and not second best. But also a feeling we should continue to negotiate for arms control.

Thatcher: But these aren't easy. Especially in MBFR, because there is a fundamental difference in where the two sides start. I wish there were more ways for the people to register in the Communist societies.

The President: I think more and more the people are having an impact. I detected that in my travels.

Thatcher: I fear what will happen when there is a generation that has been raised wholly under the system. Romania is tough and the leaders have such privileges.

The President: I stayed in a place that was far more enormous than any place in the West.

Thatcher: We were delighted with the Middle East settlement. We don't have your problem of the technicians, but we are very pleased with the progress.

The President: We spent enormous time on this issue. We don't think we can stop here but we think the risks of doing nothing were too high. We are taking a risk of the technicians. The Congress is questioning but I think they will agree. A bigger problem is the aid amounts for Israel, and somewhat for Egypt. We have a problem that you don't have in that we have to induce Congress to go along.

Thatcher: That must be very difficult. An additional uncertainty. And Turkish aid?

The President: That is so frustrating. That is the worst decision I have seen in my 26 years in Washington. The Speaker feels the same. It hasn't helped Greece or Cyprus; it hurt NATO and our bilateral relations and our intelligence. We think now we have the votes, but it is tough.



Thatcher: We will get over our economic problems. The longer I am in politics, the more I realize the big problem is carrying public opinion along.

The President: How long have you been in Parliament?

Thatcher: Sixteen years, and nine more trying. I have many Jews in my district, but I think you are much more susceptible to pressure groups.

The President: That is true, I think it is because we have no party discipline to hide behind.

Thatcher: Politicians all need scapegoats -- and there are those who seek headlines by bolting.

The President: I think you could help on Cyprus by trying to insist, if the embargo is lifted, that progress has to be made. We can't allow the situation to just sit.

Thatcher: I think the Nine could help there.

The President: That would be helpful. It would be tragic if the embargo is removed and there is no progress. We would never again be able to use that case.

It was a real pleasure to meet with you. Please let me once again congratulate you on being the first woman head of a major Western party. It may be a forerunner of a lady in the White House.



+ Breakfast of ~~scholarship~~ 0745 + ✓<sup>2</sup>

P / Mrs. Thatcher / Rombottom  
18 Sept 25

Russ in

(Small talk about press + Mrs T. being first party land in West)

~~Present~~

P We have one share of jobs here, as do you + a rest of west, we think it essential to attract + demand that are willing to work in / W. E. Mrs. got that message & believe indicated that desire

T We think that is vital. Use also have <sup>own</sup> jobs - such as what to do w/ a world in recession + inflation.

P ~~It is not an emergency situation~~ <sup>It is not an emergency situation</sup> We are making headway in coming out of recession - I think you have unique jobs

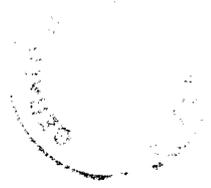
T We do, we have lost 18 mos. Recession is doing now. We politicians don't seem to be able to warn people before hand in a way they will believe.

P we find some prob, esp in dealing w/ energy - we been trying for years to alert people that energy subsidies exist. It hasn't really hit home that prices + vulnerability will go up + up. Only during a embargo, were we able to make our point.

T Right. We are more able to make our points a way Christ scientists do.

P Oh & go about it diff (laugh)

T But they also use good techniques - ~~signposts~~ <sup>signposts</sup>



expectations, etc.

P Our inflation is now down to 6.5% + unemployment is 8.4%. But polls show that inflation is bigger problem than unemployment.

T That's a whole new thing

P It is. It lets us avoid doing things which would contribute to inflation in order to deal w/ ~~the~~ unemployment. There hasn't been the pressure - inroads, etc - about unemployment. We do have an automatic increase in transfer payments because of unemployment but we're not being forced to take extraordinary measures. But we also have to get transfer payments under control

R When people are out of long-term contracts, will this change?

P My theory is that the uncertainty about these people losing their jobs is a real problem - caused a Republic clothing in 74. Next year we think unemployment will gradually decline. Still have part of heavy unemployment, but a lot of jobs will have full more job security. That should translate into votes.

T I think also others - F + U - are ~~are~~ aware of jobs of inflation. It goes for a world economy that we aren't making the solutions. I am very strong on this

P Yes. I have been accused of Hooverism + Cardiganism, but a lot of people are beginning to demand that these growth policies aren't really



answer.

T. I agree they have more common sense. I see some in defense, but perhaps that just my generation. But I have no diff saying one society worth dying.

P. We have a spec. plan from V14. But I think that is grade timing. There has not been pressure this year on budget + Mansfield's reaction. A growing idea we must be strong + not 2nd best. But also a feeling we should continue to negot for access control.

T. But those aren't easy, esp in NBER, because there's fundamental diff in where we sit. I wish there were more ways for people + groups in a host societies.

P. I think it's more for + more the people are being seen in part. I detected that in my travels.

T. I fear what will happen when there is a generation raised in wholly under system. Romania is tough - + c. leaders have such privileges.

P. I'd get in a place for more experience than any place in the west.

T. We were delighted w/ a ME attempt. We don't have your job of technicians but we're very pleased w/ a prog.

P. We spent enormous time on this issue. We don't think our case step back but we think the risks of doing nothing were too high. We take a risk of technicians. Carry

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for E. We have a prob you don't have in that  
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T That must be very dry. An additional  
concern. And Turk art?

P That is so frustrating. That is a worst  
division in my 26 years in Wash-Spanish  
fell same. It hasn't helped cover a Cyprus,  
but NATO, bilateral relations, intl. We  
think now we have a veto, but it's tough.

T We will get some more work. The larger I  
in jobs in a more & realize a big job is  
sweeping past opinion along.

P How long in Paris

T 16 yrs + 9 more trying. I have many years  
in my district but I think you are  
much more susceptible to pressure groups.

P That is true. I think it is because we have  
no party discipline to hold them.

T Politicians all need escape routes - & there are those  
who seek headlines by bolting.

P I think you could help on Cyprus by trying to  
insist, if not target lifted, that progress has  
to be made. We can't allow art to just sit.

T I think the news would help there

P That would be helpful. It's a tragedy if  
embargo removed & no prog. We would  
once again be able to end that case.



I would personally work with you, and  
let me know again urgent you  
on May 1st 1st morning head of a  
major western party. May be a permanent  
of a lady since with