

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

SECRET/SENSITIVE

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Gerald Ford
The Cabinet

DATE AND TIME: Wednesday, January 8, 1975
11:00 a. m.

PLACE: The Cabinet Room
The White House

SUBJECT: Secretary Kissinger's Presentation on Foreign
Policy

[The Cabinet meeting began with discussions by Mr. Rumsfeld of the reorganization of the Executive Office of the President, by Mr. Marsh of the Congressional situation, and by Dr. Greenspan of the economic situation].

President: Now, Henry will project the Foreign Policy problems for 1975.

Kissinger: In Cyprus, we now have political talks started and with good will we should get something in three to four months.

In the Middle East the possibility for moves still exists, and if we succeed, the chances of war will be greatly reduced and we can go to Geneva with a situation where our friends are having a success.

In our relations with the Soviets, we have a problem. The Soviet Union has had a massive shock over the MFN and Ex-Im legislation. Brezhnev's opponents can quote our '72 statements about economic relations to make him look like a fool. Obviously, there is a reevaluation going on. And to the extent that a deterioration with the Soviet Union takes place it will also with the PRC. This makes the Vladivostok hearings crucial, so they are not turned into another trade bill fiasco.

I am afraid the Soviet Union will turn down the trade bill, but don't talk about it.

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But there is no deterioration of political relations with the Soviet Union.

Relations with the PRC are on course. There was not much movement on Taiwan, because we have little to gain from it. Our relations are basically doing well.

So much for the traditional foreign policy areas.

We are now facing for the whole world the situation which President Truman faced with Europe. There is a disintegration of old world patterns -- it represents a danger and a great opportunity as new patterns become put together. In the past few years our relations with Europe have been very difficult. The Europeans have become provincial; only our efforts are seeking to restore to them a sense of competence to manage their own destinies.

A resurgent American economy will help us more in the world than anything we can do.

We have an historic opportunity to help construct a new political and economic world system. We have been making substantial progress in the whole energy/oil field. If we can move equally on food and raw materials, we may look back on this period on the structural side as having been an historic period of American foreign policy.



Key liaison: Jim Cannon - Secy to Cabinet
Vern Riffe? House side
Bill Kendall - Senate side
Bob Walther - Max Aest

Cabinet Mtg
F Jan 25

Rumsfeld Exec Off of P. Org
Wash Cong
Greenway Economy

P. How Henry will present F.P. parts of '25
K. In Cyprus, we now have pol talks started & w/ good will we should get something in 2-4 mos. In M.E. possibility of success still exists if we succeed & changes of course will be greatly reduced & we come to Geneva w/ set where we are friends are having a success.

In S.S. relations, we have a prob. That I do not have a massive check over a (check) / x m legs, but I think of payments can quote over 72 statements & make him look like a pol. Obviously there is a revolution going on & extent determination w/ S.C. takes place it will affect P.R.C. This makes U.S. hearings crucial, so they are not turned into another trade bill fracas.

I propose S.C. will turn down a trade bill, but don't talk about it.

No deterioration of pol relations w/ S.C.
Relations w/ P.R.C. on course. Not much movement in Taiwan because we have little to gain. So much for traditional F.P. course. We are now facing a world we sit with Taiwan faced w/ Eur. There is a disintegration of old world patterns - represents a danger & a great opportunity as new patterns become put together. For past few years our relations w/ Eur. have been very dis. They have become provincial & only our efforts are seeking to restore a sense of cooperation & recognize their own destiny.



A resurgent US economy will help us overcome
a world that anything we can do.

We have a history of productivity & high investment
as part of our world system. We have been
making sure progress in whole energy / oil field.
If we can move equally on food & raw materials
we may look back on structural side as from
an historic point.

