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1A D

MEMORANDUM

NATIONAL SECURITY COUNCIL

4053X

~~SECRET~~

ACTION

September 13, 1974

MEMORANDUM FOR SECRETARY KISSINGER

FROM:

A. Denis Clift *ADC*

SUBJECT:

Letter from Prime Minister Wilson Regarding the Retirement of General Goodpaster

Prime Minister Wilson has sent the President a message via the Cabinet Line regretting the retirement of General Goodpaster and expressing approval of General Haig as his successor.

The memorandum for your signature to the President at Tab I forwards Prime Minister Wilson's message and summarizes its contents.

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

*not answer*

~~SECRET~~

DECLASSIFIED

E.O. 12958, SEC. 3.5

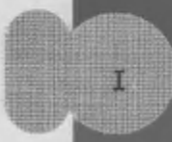
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES

BY *lck*, NARA. DATE *3/9/06*





1973



I



THE WHITE HOUSE  
WASHINGTON

4053X

SECRETINFORMATION

## MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: Message from Prime Minister Wilson  
Regarding the Retirement of General Goodpaster

Prime Minister Wilson has sent you a message (at Tab A) via the Cabinet Line regretting General Goodpaster's decision to retire. The Prime Minister states that the General's "outstanding service has been widely recognized in this country and we shall miss his leadership and advice."

The Prime Minister welcomes your willingness to nominate another United States general officer to succeed General Goodpaster. He adds that General Haig would bring "excellent qualities" to the post and that the United Kingdom would be happy to accept him. Finally, the Prime Minister states his understanding that General Haig's appointment would not take effect until near the end of the year and that this timing would meet general agreement among the allies.

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BY dm, NARA, DATE 3/9/04

10

A

EABE



Text of Message from the Prime Minister to President Ford

Dear Mr. President:

Thank you for your message of 30 August.

General Goodpaster has been an outstanding SACEUR and I was sorry to hear about his decision to retire. His outstanding service has been widely recognized in this country and we shall miss his leadership and advice.

I welcome your willingness to nominate another United States general officer to succeed General Goodpaster. General Haig would bring excellent qualities to the post and we for our part would be happy to accept him.

I understand that General Haig's appointment would not take effect until towards the end of the year, and I believe that this timing would meet general agreement among our allies.

Yours sincerely,

/s/ Harold Wilson

September 13, 1974

NSC CORRESPONDENCE PROFILE

DOC		RECD		LOG NBR		INITIAL ACTION O
MO	DA	MO	DA	HR		
9	13	9	13	15	74040535	

18

SOURCE/CLASS/DESCRIPTION

*cuft*

TO: PRES \_\_\_\_\_  
 KISSINGER ✓  
 SCOWCROFT \_\_\_\_\_  
 DAVIS \_\_\_\_\_

FROM: KISSINGER, H  
 COLBY, W \_\_\_\_\_  
 SCHLESINGER, J \_\_\_\_\_  
 ST EX SEC \_\_\_\_\_

REFERENCE: \_\_\_\_\_ CIRCLE AS APPROPRIATE  
 UNCLAS LOG IN/OUT \_\_\_\_\_  
 LOU NO FORN NODIS \_\_\_\_\_  
 C EYES ONLY EXDIS \_\_\_\_\_  
 S CODEWORD \_\_\_\_\_  
 TS SENSITIVE \_\_\_\_\_

SUBJECT: *LTR TO Pres from PM Wilson of England re retirement of Goodposter - LA*

DISTRIBUTION/INITIAL ACTION ASGMT

INTERNAL ROUTING AND DISTRIBUTION		REC CY FOR
ACTION	INFO	
ADVANCE CYS TO HAK/SCOWCROFT		
STAFF SECRETARY		
FAR EAST		
SUB-SAHARAN AFRICA		
MID EAST / NO. AFRICA / SO. ASIA		
EUROPE / CANADA		
LATIN AMERICA		
UNITED NATIONS		
ECONOMIC		
SCIENTIFIC		
PROGRAM ANALYSIS		
NSC PLANNING		
CONGRESSIONAL		
OCEANS POLICY		
INTELLIGENCE		

ACTION REQUIRED

MEMO FOR HAK \_\_\_\_\_ (\_\_\_\_\_) )

MEMO FOR PRES \_\_\_\_\_ (\_\_\_\_\_) )

REPLY FOR \_\_\_\_\_ (\_\_\_\_\_) )

APPROPRIATE ACTION \_\_\_\_\_ (\_\_\_\_\_) )

MEMO \_\_\_\_\_ TO \_\_\_\_\_ (\_\_\_\_\_) )

RECOMMENDATIONS \_\_\_\_\_ (\_\_\_\_\_) )

JOINT MEMO \_\_\_\_\_ (\_\_\_\_\_) )

REFER TO \_\_\_\_\_ FOR: \_\_\_\_\_ (\_\_\_\_\_) )

ANY ACTION NECESSARY? \_\_\_\_\_ (\_\_\_\_\_) )

CONCURRENCE \_\_\_\_\_ (\_\_\_\_\_) )

DUE DATE: \_\_\_\_\_

COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)

SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	S	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	CY TO
9/13		HAK	X	<i>Pres for info (9/22)</i>	
9/16			C	<i>NFAR per HAK</i>	

NSC/S DISP INSTR

DISPATCH \_\_\_\_\_

CY RQMTS: SEE ABOVE PLUS: \_\_\_\_\_

NOTIFY \_\_\_\_\_ & DATE \_\_\_\_\_ BY \_\_\_\_\_

SPECIAL DISPOSITION: \_\_\_\_\_

CROSS REF W/ \_\_\_\_\_

SUSPENSE CY ATTACHED: \_\_\_\_\_ FOLDER: \_\_\_\_\_

MICROFILM & FILE RQMTS:

M/F'D \_\_\_\_\_ BY \_\_\_\_\_

CRT ID:	SA	SF
OPEN _____	HP	NS
CLOSE <u>BTM</u>	WH	EP
	PA	DY

Outside System

~~SECRET~~

ACTION  
September 18, 1974

**MEMORANDUM FOR SECRETARY KISSINGER**

**FROM: A. Denis Clift**  
**SUBJECT: Presidential Reply to Prime Minister Wilson**

The memorandum for your signature to the President at Tab I would forward a Cabinet Office message from the Prime Minister containing advance notice of the UK decision to call October 10 General Elections, together with a proposed reply for the President's approval to the Prime Minister.

The Prime Minister's message notes his confidence that he can rely on U. S. cooperation should there be a major run on Sterling during the election campaign. The President's reply would provide the necessary assurances.

Robert Hormats concurs.

**RECOMMENDATION**

That you sign the memorandum for the President at Tab I.

ADClift:gw:9/18/74

~~SECRET~~

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E.O. 12958, SEC. 3.5  
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY da, NARA, DATE 3/9/04





SECRET

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger  
SUBJECT: Reply to Prime Minister Wilson

The British Prime Minister Harold Wilson has sent you the message at Tab B informing you that the decision has been taken to call for UK General Elections on October 10 -- with the decision to be announced on September 18 at 12:45 p.m. London time.

Prime Minister Wilson recalls that the February 1974 General Elections were inconclusive, resulting in the present minority Labor Government, a government unable to conduct its business effectively in the House of Commons. The new elections have been called in the hopes that they will result in a clear majority government able to deal with the twin problems of inflation and unemployment.

The Prime Minister notes the possible danger of a run on the rate of Sterling during the British election campaign, and he expresses confidence that he will be able to count on U.S. goodwill and cooperation should this contingency arise.

The reply at Tab A to the Prime Minister would express your thanks for his message. Your message would also express your agreement on the need for cooperative attention should the Sterling rate be jeopardized and would assure him that the United States would be prepared for early consultations aimed at dealing with the situation. (There is always the real possibility of a dangerous drop in the rate of sterling, particularly if oil related Sterling deposits have to be exchanged for dollars. Should this occur, the United States might be able to assist the UK by helping to support Sterling.)

RECOMMENDATION

That you approve the message to Prime Minister Wilson.

APPROVE \_\_\_\_\_

DISAPPROVE \_\_\_\_\_

DECLASSIFIED

E.O. 12958, SEC. 3.5

SECRET

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES

ADClift:gw:9/18/74

BY Na, NARA, DATE 3/9/04



~~SECRET~~

FROM: THE WHITE HOUSE  
TO: THE CABINET OFFICE

Message From the President to Prime Minister Wilson

Dear Mr. Prime Minister:

This is to thank you for your message of September 18 informing me in advance of the decision being taken to call for General Elections on October 10.

I appreciate the point you have raised with regard to Sterling. Should such a contingency arise, I fully agree it should receive our cooperative attention, and I assure you that we would look forward to early consultations with a view to identifying appropriate arrangements to deal with the situation.

Again, your message is very much appreciated.

Sincerely,

Gerald R. Ford

~~SECRET~~

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E.O. 12958, SEC. 3.5  
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY lca, NARA, DATE 3/9/04



20  
September 18, 1974

Message from the Prime Minister to President Ford

Dear Mr. President:

I am sending you this message (which for obvious reasons I have to ask you to treat as personal to yourself alone until an announcement is made) to tell you that I have decided to advise the Queen to dissolve Parliament and to call a General Election. This will be announced at 12:45 p. m. (our time) on Wednesday 18 September, and the election will take place on Thursday 10 October.

As you know, the last General Election was held as recently as last February. But it produced an inconclusive result, in the sense that, though my party emerged as the largest single party in the House of Commons, no party could command an overall majority. Under our system this is a situation in which the government cannot be sure of carrying its business in the House of Commons and giving effect to the program to which it is committed. Moreover, the twin problems of a high rate of inflation and the prospect of rising unemployment present us with an economic situation in which it is desirable that there should be a government with a clear majority to carry out the measures which the situation requires.

Sterling has been reasonably steady recently. But there is no doubt that confidence in the city of London is delicate, and any election campaign is full of uncertainties. We do not have to defend a fixed rate (as we did in 1966 and 1970), and of course we shall do what we can to keep things steady. But I know that I can count on your good will, and indeed cooperation, if anything like a major run should develop, and our people thought it advisable to get in touch with yours about arrangements to deal with it.

With my personal regards,

Yours sincerely,

Harold Wilson



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: Reply to Prime Minister Wilson

*You will recall that*  
The ~~British~~ Prime Minister Harold Wilson ~~has~~ sent you the message at Tab B informing you ~~that the decision has been taken to call for UK General Elections on October 10, with the decision to be announced on September 18 at 12:45 p.m. London time.~~

Prime Minister Wilson recalls that the February 1974 General Elections were inconclusive, resulting in the present minority Labor Government, a government unable to conduct its business effectively in the House of Commons. The new elections have been called in the hopes that they will result in a clear majority government able to deal with the twin problems of inflation and unemployment.

The Prime Minister notes the possible danger of a run on the rate of Sterling during the British election campaign, and he expresses confidence that he will be able to count on U.S. goodwill and cooperation should this contingency arise.

*A proposed reply to the Prime Minister's message is at Tab A. The reply*

The reply at Tab A to the Prime Minister would express your thanks for his message, ~~Your message would also express~~ your agreement on the need for cooperative attention should the Sterling rate be jeopardized ~~and would assure him that the United States would be prepared for early consultations aimed at dealing with the situation. (There is always the real possibility of a dangerous drop in the rate of sterling, particularly if oil related Sterling deposits have to be exchanged for dollars. Should this occur, the United States might be able to assist the UK by helping to support Sterling.)~~

*Your reply*

*such as*

RECOMMENDATION

That you approve the message to Prime Minister Wilson.

APPROVE \_\_\_\_\_

DISAPPROVE \_\_\_\_\_

*as would you*



*with his comment*

*as a result of election uncertainties.*

~~SECRET~~

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NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY:           , NARA, DATE 3/9/04

~~SECRET~~

FROM: THE WHITE HOUSE  
TO: THE CABINET OFFICE

~~Message~~ From the President <sup>the</sup> to Prime Minister Wilson

VIA Cabinet Line

Dear Mr. Prime Minister:

*I very much appreciated*  
~~This is to thank you for your message of September 18 informing~~

me in advance of the decision ~~being taken~~ to call for General Elections on October 10.

*With respect to your comments about*  
~~I appreciate the point you have raised with regard to Sterling,~~

~~that,~~ Should such a contingency arise, I fully agree, it should receive our cooperative attention, and ~~I assure you that we would look forward to early~~ consultations, with a view to identifying appropriate arrangements to deal with the situation.

*With personal regards,*  
~~A sincere message, is very much appreciated~~

Sincerely,

Gerald R. Ford

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NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY         , NARA, DATE 3/9/04



MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

*See 7500246  
for final action*

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3A

INFORMATION  
December 31, 1974

~~SECRET~~ / SENSITIVE

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER *HK* *DR7*

SUBJECT: Message from Prime Minister Wilson  
on U. S. Economy

Prime Minister Wilson has sent you a message (Tab A) to share with you his anxiety over the growing worldwide unemployment problem and the impact that the U. S. recession is having on it. He notes specifically that he wanted you to have the benefit of his views during your consideration of U. S. economic policy.

Wilson feels that your Administration has provided invaluable leadership to international efforts to deal with complex financial, economic, energy and trade problems. But because he believes that the U. S. is "the motor of the industrialized world," Wilson is worried about the fact that our economic slowdown is contributing to serious unemployment in the UK and elsewhere and to global recession despite the attempts of the UK and other Europeans to stimulate economic activity in their countries. Wilson wants to avert a socially dangerous buildup of domestic unemployment and to reduce the temptation for the most hard pressed countries to fall back into protectionist measures. He believes that it is necessary for all western governments to act to prevent recession from deepening into depression in order to improve the confidence of business and to avoid protectionist pressures.

A proposed response to the Prime Minister is being staffed separately and will be forwarded to you shortly.

~~SECRET~~ / SENSITIVE

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E.O. 12958, SEC. 3.5  
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY *Wa*, NARA, DATE *3/9/04*



Delivered to Denis Cleft at  
the White House 12/31/74  
4:30 pm 38



FROM:  
THE HON.  
SIR PETER RAMSBOTHAM KCMG

BRITISH EMBASSY  
WASHINGTON, D. C. 20008  
TELEPHONE: (202) 462-1340

30 December 1974

President Gerald R Ford  
President of the United States  
of America  
The White House  
Washington DC

My dear Mr President

The British Prime Minister, Mr Harold Wilson,  
has asked me to forward to you a personal message  
from him, which is enclosed herewith.

Yours sincerely  
Peter Ramsbotham

(Peter Ramsbotham)





Jim Callaghan and I are looking forward very much to our visit to Washington at the end of next month, when we hope to be able to discuss all the major issues confronting the Western world. However, I felt it would not be right to wait until then to share with you one particular anxiety I have.

As you will know we have all been watching with close attention your efforts to minimise unemployment while continuing to fight inflation. Of these two grave threats to our economies - and ultimately perhaps to our cohesion and our institutions - the former seems to us to be growing more serious.

To a major extent the decline in activity and growth which is taking place is certainly attributable to the five-fold increase in world oil prices, which has taken huge sums of money out of the normal circulation and put it into the reserves of a few governments. This deflationary impact is thus one aspect of the complex of financial, economic, energy and trade problems which the action of the oil producers has set us. All of them need to be tackled by co-operative effort, and your Administration has given invaluable leads in this direction. It is, I think, no less true in this economic aspect than in the others that we all need to have continuously in mind the effect on others of our own actions and policies.


We in the United Kingdom have thought it right against this background to stimulate activity and many of our

/European

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 State Dept. Guidelines  
 By                     , NARA, Date 2/9/04







European allies are doing the same. Each one of us by doing so helps to avert a socially dangerous build-up of unemployment within his own country and at the same time helps to maintain international activity and to reduce the temptation for the more hard pressed countries to fall back into measures of a protectionist nature.

But the US is the motor of the industrial world: and if the motor fails then the rest of us will inevitably come to a halt. The published indicators which have come out in the last few weeks have successively shown a picture of a motor which is indeed slowing down. The recession now looks likely to be deeper and longer than had been expected and I understand that even the more optimistic forecasters do not now expect any significant upturn before the second half of 1975.

It is right to let you know that for us in Britain, and no doubt for many others, this is a deeply worrying prospect. The confidence of business, the support of labour for domestic economic policies of freedom from restriction in international trade all depend on the conviction that all our governments will act to prevent recession from deepening into depression.

I look forward to discussing all this with you and telling you something of how we are tackling our problems in Britain, but wanted to express my concern now because I know that you will be thinking about economic matters in the next week or two.

30 December 1974



SIR PETER RAMSBOTHAM

BY HAND



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President Gerald R Ford  
President of the United States  
of America  
The White House  
Washington DC



THE WHITE HOUSE

WASHINGTON

January 12, 1975

Bob Hormats

Brent didn't have a chance to get to this until Sunday. He asks whether now, in view of the slip, it isn't necessary to include more substance on energy and economics as an advance of what the President will say in his messages this week?

*REM*

P.S. It would of course, have to go by message. Is it correct to assume that we will be doing other "advance" messages (to Schmidt, Miki, Giscard). Wilson's could be worked in conjunction with those, but perhaps with specific reference to his letter.

*Bud*

48

THE WHITE HOUSE  
WASHINGTON

1/12/75

Mrs. Davis:

May I please have  
Nat chron cys when  
all action is complete?  
Pls fwd memos as marked.

THANKS!  
-Kathy

(3 items attached) } | la

## NATIONAL SECURITY COUNCIL

SECRET/SENSITIVEACTION

January 7, 1975

MEMORANDUM FOR: SECRETARY KISSINGER

FROM: ROBERT HORMATS *RH*

SUBJECT: Response to Message from Prime  
Minister Wilson

At Tab A is a proposed letter from the President replying to Prime Minister Wilson's message of concern about the adverse international impact of the U.S. recession. The reply indicates that the President shares Wilson's concern about recession and unemployment and that his new policies will deal directly with these problems without seriously worsening inflation.

I have coordinated with Denis Clift in the drafting of this response. But, because of the pro forma character of its economic aspects and the private nature of the message, I have not felt it necessary to show it to the speech writers or other economic types in the White House. If you wish me to do so, I shall. A copy of Brent Scowcroft's earlier memorandum to the President summarizing Wilson's message is at Tab B.

RECOMMENDATION:

That you sign the memorandum for the President at Tab 1.

Concurrence:  
Mr. Clift

SECRET/SENSITIVE

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E.O. 12958, SEC. 3.5  
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY WA, NARA, DATE 3/9/04



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THE WHITE HOUSE  
WASHINGTON~~SECRET~~/SENSITIVEACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER

SUBJECT: Response to Message from Prime  
Minister Wilson

Prime Minister Wilson's message, summarized in Brent Scowcroft's memorandum of December 31 (Tab B), expresses concern about the adverse impact which the U. S. recession is having on his country's economy and throughout the world. At Tab A is a proposed response from you to the Prime Minister indicating that you share his concern over unemployment and recession, that you are in the process of developing new policies which will address this issue without triggering major inflationary pressures, and that you look forward to discussing these issues in greater detail during his upcoming visit.

RECOMMENDATION:

That you sign the letter to Prime Minister Wilson at Tab A.

~~SECRET~~/SENSITIVE

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E.O. 12958, SEC. 3.5  
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY         , NARA, DATE 3/9/04



MF

A



THE WHITE HOUSE

WASHINGTON

Dear Mr. Prime Minister:

I was pleased to receive your message of December 30, 1974, and to have the benefit of your thinking about the policies I am now developing and will announce later this month. We are in total agreement on the importance of avoiding a build up of unemployment and a worsening of the present recession.

The United States and Great Britain have in recent months been struggling with the major issues of unemployment and inflation as have our colleagues elsewhere in Western Europe and in Japan. There are, as we both know, no easy answers to these difficulties; but it is clear that we should not address one part of the problem while ignoring the other. Each country must act consistent with its priorities and its particular economic circumstances; each must choose the blend of policies which it considers most suitable. We had expected that the policies I announced last October would bring about a slowdown in our inflation without worsening the recession. But we had also recognized that any policy initiated at that time required continued scrutiny so that necessary adjustments could be made if the need arose.

We are now in the process of reassessing the state of our economy. We do so with a view not only to the needs of the United States but also to the impact of our policies upon other countries. In my discussions with Chancellor Schmidt, President Giscard d'Estaing, Prime Minister Trudeau and others, I have strongly emphasized the importance we attach to implementing policies which contribute to, rather than harm, the economic well-being of other countries. The policies we are now developing will, in our view, meet this test. They

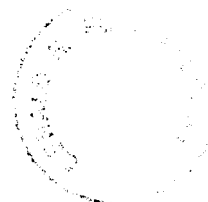
will deal directly with the economic slowdown we now face without triggering major inflationary pressures which might result from an overly expansionary policy.

I expect that Secretary Simon will be briefing Chancellor Healey on some aspects of these policies during his coming visit to the U.S. I also expect we will brief your Embassy prior to announcement. Your visit will enable us to discuss these issues in greater detail.

I very much look forward to seeing you later this month.

Sincerely,

The Right Honorable  
Harold Wilson  
Prime Minister  
London



THE WHITE HOUSE

44



The Right Honorable  
Harold Wilson  
Prime Minister  
London

MI

THE WHITE HOUSE

WASHINGTON

Dear Mr. Prime Minister:

I was pleased to receive your message of December 30 and to have <sup>the</sup> benefit of your thinking during development of the policies I shall announce later this month. We are in total agreement about the importance of avoiding a build up of unemployment and a worsening of the present recession.

Both the United States and Great Britain have in recent months been struggling with the major issues of unemployment and inflation as have our colleagues elsewhere in Western Europe and in Japan. There are, as we both know, no easy answers to these difficulties; but it is clear that we cannot address one part of the problem while ignoring the other. Each country must act consistent with its priorities and its particular economic circumstances, and must choose the blend of policies which it considers most suitable. We had expected that the policies I announced last October would bring about a slowdown in our inflation without worsening the recession. But we had also recognized that any policy put forward at that time required continued scrutiny so that necessary adjustments could be made if the need arose.

*have continued*  
We ~~are now in~~ <sup>have done</sup> the process of assessing the state of our economy. We ~~do~~ so with a view not only to the needs of the United States but also to the impact of our policies upon other countries. In my discussions with Chancellor Schmidt, President Giscard d'Estaing, Prime Minister Trudeau and others, I have strongly emphasized the importance we attach to implementing policies which contribute to, rather than harm, the economic well-being of other countries. The policies we are now developing ~~will~~, in our view, meet this test. They



will deal directly with the economic slowdown we are now facing without triggering the major inflationary pressures which might result from an overly expansionary policy.

I expect that Secretary Simon will be briefing Chancellor Healey on some aspects of these policies during his coming visit to the U.S. I ~~also expect we will be able to brief your~~ <sup>will also provide additional information through</sup> Embassy prior to announcement. Your visit will enable us to discuss these issues in greater detail.

I very much look forward to seeing you later this month.

Sincerely,

The Right Honorable  
Harold Wilson  
Prime Minister  
London



THE WHITE HOUSE

WASHINGTON

Dear Mr. Prime Minister:

I was pleased to receive your message of December 30 and to have benefit of your thinking during development of the policies I shall announce later this month. We are in total agreement about the importance of avoiding a build up of unemployment and a worsening of the present recession.

Both the United States and Great Britain have in recent months been struggling with the major issues of unemployment and inflation as have our colleagues elsewhere in Western Europe and in Japan. There are, as we both know, no easy answers to these difficulties; but it is clear that we cannot address one part of the problem while ignoring the other. Each country must act consistent with its priorities and its particular economic circumstances, and must choose the blend of policies which it considers most suitable. We had expected that the policies I announced last October would bring about a slowdown in our inflation without worsening the recession. But we had also recognized that any policy put forward at that time required continued scrutiny so that necessary adjustments could be made if the need arose.

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I expect that Secretary Simon will be briefing Chancellor Healey on some aspects of these policies during his coming visit to the U. S. I also expect we will be able to brief your Embassy prior to announcement. Your visit will enable us to discuss these issues in greater detail.

I very much look forward to seeing you later this month.

Sincerely,

The Right Honorable  
Harold Wilson  
Prime Minister  
London





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B



**ACTION**  
**December 31, 1974**

~~SECRET/SENSITIVE~~

**MEMORANDUM FOR: THE PRESIDENT**

**FROM: BRENT SCOWCROFT**

**SUBJECT: Message from Prime Minister Wilson  
on U. S. Economy**

Prime Minister Wilson has sent you a message (Tab A) to share with you his anxiety over the growing worldwide unemployment problem and the impact that the U. S. recession is having on it. He notes specifically that he wanted you to have the benefit of his views during your consideration of U. S. economic policy.

Wilson feels that your Administration has provided invaluable leadership to international efforts to deal with complex financial, economic, energy and trade problems. But because he believes that the U. S. is "the motor of the industrialized world," Wilson is worried that the fact that our economic slowdown is contributing to serious unemployment in the UK and elsewhere and to global recession despite the attempts of the UK and other Europeans to stimulate economic activity in their countries. Wilson wants to avert a socially dangerous buildup of domestic unemployment and to reduce the temptation for the most hard pressed countries to fall back into protectionist measures. He believes that it is necessary for all western governments to act to prevent recession from deepening into depression in order to improve the confidence of business and to avoid protectionist pressures.

A proposed response to the Prime Minister is being staffed separately and will be forwarded to you shortly.

~~SECRET/SENSITIVE~~

DECLASSIFIED  
E.O. 12958, SEC. 3.5  
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY                     , NARA, DATE 3/9/04

11m

FROM:  
THE HON.  
SIR PETER RAMSBOTHAM KCMG

BRITISH EMBASSY  
WASHINGTON, D. C. 20008  
TELEPHONE: (202) 462-1340

30 December 1974

President Gerald R Ford  
President of the United States  
of America  
The White House  
Washington DC

*To dear Mr President*

The British Prime Minister, Mr Harold Wilson,  
has asked me to forward to you a personal message  
from him, which is enclosed herewith.

*Yours sincerely*  
*Peter Ramsbotham*  
(Peter Ramsbotham)

Jim Callaghan and I are looking forward very much to our visit to Washington at the end of next month, when we hope to be able to discuss all the major issues confronting the Western world. However, I felt it would not be right to wait until then to share with you one particular anxiety I have.

As you will know we have all been watching with close attention your efforts to minimise unemployment while continuing to fight inflation. Of these two grave threats to our economies - and ultimately perhaps to our cohesion and our institutions - the former seems to us to be growing more serious.

To a major extent the decline in activity and growth which is taking place is certainly attributable to the five-fold increase in world oil prices, which has taken huge sums of money out of the normal circulation and put it into the reserves of a few governments. This deflationary impact is thus one aspect of the complex of financial, economic, energy and trade problems which the action of the oil producers has set us. All of them need to be tackled by co-operative effort, and your Administration has given invaluable leads in this direction. It is, I think, no less true in this economic aspect than in the others that we all need to have continuously in mind the effect on others of our own actions and policies.

We in the United Kingdom have thought it right against this background to stimulate activity and many of our

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State Dept. Guidelines

By           , NARA, Date 3/9/84

/European

European allies are doing the same. Each one of us by doing so helps to avert a socially dangerous build-up of unemployment within his own country and at the same time helps to maintain international activity and to reduce the temptation for the more hard pressed countries to fall back into measures of a protectionist nature.

But the US is the motor of the industrial world: and if the motor fails then the rest of us will inevitably come to a halt. The published indicators which have come out in the last few weeks have successively shown a picture of a motor which is indeed slowing down. The recession now looks likely to be deeper and longer than had been expected and I understand that even the more optimistic forecasters do not now expect any significant upturn before the second half of 1975.

It is right to let you know that for us in Britain, and no doubt for many others, this is a deeply worrying prospect. The confidence of business, the support of Labour for domestic economic policies of freedom from restriction in international trade all depend on the conviction that all our governments will act to prevent recession from deepening into depression.

I look forward to discussing all this with you and telling you something of how we are tackling our problems in Britain, but wanted to express my concern now because I know that you will be thinking about economic matters in the next week or two.

30 December 1974

THE WHITE HOUSE  
WASHINGTON

INFORMATION  
December 31, 1974

~~SECRET/SENSITIVE~~

MEMORANDUM FOR: THE PRESIDENT

FROM: ~~BRENT SCOWCROFT~~ HHR

SUBJECT: Message from Prime Minister Wilson  
on U. S. Economy

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Wilson feels that your Administration has provided invaluable leadership to international efforts to deal with complex financial, economic, energy and trade problems. But because he believes that the U.S. is "the motor of the industrialized world," Wilson is worried <sup>about</sup> that the fact that our economic slowdown is contributing to serious unemployment in the UK and elsewhere and to global recession despite the attempts of the UK and other Europeans to stimulate economic activity in their countries. Wilson wants to avert a socially dangerous buildup of domestic unemployment and to reduce the temptation for the most hard pressed countries to fall back into protectionist measures. He believes that it is necessary for all western governments to act to prevent recession from deepening into depression in order to improve the confidence of business and to avoid protectionist pressures.

A proposed response to the Prime Minister is being staffed separately and will be forwarded to you shortly.

~~SECRET/SENSITIVE~~

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E.O. 12958, SEC. 3.5  
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY blm DATE 2/9/04

INFORMATION  
December 31, 1974

SECRET/SENSITIVE

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**SUBJECT: Message from Prime Minister Wilson  
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SECRET/SENSITIVE

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E.O. 12958, SEC. 3.5  
NSC MEMO, 11/24/88, STATE DEPT. GUIDELINES  
BY Jan, NARA, DATE 3/9/04



INFORMATION  
December 31, 1974

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E.O. 12958, SEC. 3.5

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY hkh, NARA. DATE 3/9/04





INFORMATION  
December 31, 1974

~~SECRET/SENSITIVE~~

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NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY       , NARA, DATE 3/9/04



INFORMATION  
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E.O. 12958, SEC. 3.5

NSC MEMO, 1110400, STATE DEPT. GUIDELINES

BY h/g, NARA, DATE 3/9/04

Kathy: Fyd - This  
bypassed again on  
12/31 - Marilyn

6389X

LV

SECRET

ACTION

MEMORANDUM FOR GENERAL SCOWCROFT

FROM: Robert D. Hormats  
A. Denis Clift

SUBJECT: Message to President from Prime Minister Wilson

The information memorandum for your signature to the President at Tab I would forward Prime Minister Wilson's message of December 30 on the economy.  
Your memorandum notes that a proposed reply to the Prime Minister is being staffed separately.

RECOMMENDATION

That you sign the memorandum for the President at Tab I

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NSC MEMO, 11/24/88, STATE DEPT. GUIDELINES  
BY                     , NARA, DATE 3/9/04



HW



HX

INFORMATION  
December 31, 1974

**SECRET/SENSITIVE**

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**SECRET/SENSITIVE**

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E.O. 12958, SEC. 3.5  
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY WA, NARA, DATE 3/9/04



118



FROM:  
THE HON.  
SIR PETER RAMSBOTHAM KCMG

112  
BRITISH EMBASSY  
WASHINGTON, D. C. 20008  
TELEPHONE: (202) 462-1340

30 December 1974

President Gerald R Ford  
President of the United States  
of America  
The White House  
Washington DC

*My dear Mr. President*

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has asked me to forward to you a personal message  
from him, which is enclosed herewith.

*Yours sincerely  
Peter Ramsbotham*

(Peter Ramsbotham)



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As you will know we have all been watching with close attention your efforts to minimise unemployment while continuing to fight inflation. Of these two grave threats to our economies - and ultimately perhaps to our cohesion and our institutions - the former seems to us to be growing more serious.

To a major extent the decline in activity and growth which is taking place is certainly attributable to the five-fold increase in world oil prices, which has taken huge sums of money out of the normal circulation and put it into the reserves of a few governments. This deflationary impact is thus one aspect of the complex of financial, economic, energy and trade problems which the action of the oil producers has set us. All of them need to be tackled by co-operative effort, and your Administration has given invaluable leads in this direction. It is, I think, no less true in this economic aspect than in the others that we all need to have continuously in mind the effect on others of our own actions and policies.

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By           , NARA, Date 2/4/04



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It is right to let you know that for us in Britain, and no doubt for many others, this is a deeply worrying prospect. The confidence of business, the support of labour for domestic economic policies of freedom from restriction in international trade all depend on the conviction that all our governments will act to prevent recession from deepening into depression.

I look forward to discussing all this with you and telling you something of how we are tackling our problems in Britain, but wanted to express my concern now because I know that you will be thinking about economic matters in the next week or two.

30 December 1974

Re do 4BB  
6 3 89x

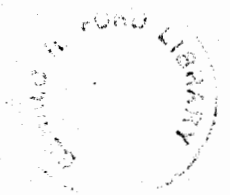
THE WHITE HOUSE  
WASHINGTON

Dear Mr. Prime Minister:

I was pleased to receive your message of December 30, 1974, and to have the benefit of your thinking about the policies I am now developing and will announce later this month. We are in total agreement on the importance of avoiding a build up of unemployment and a worsening of the present recession.

The United States and Great Britain have in recent months been struggling with the major issues of unemployment and inflation as have our colleagues elsewhere in Western Europe and in Japan. There are, as we both know, no easy answers to these difficulties; but it is clear that we should not address one part of the problem while ignoring the other. Each country must act consistent with its priorities and its particular economic circumstances; each must choose the blend of policies which it considers most suitable. We had expected that the policies I announced last October would bring about a slowdown in our inflation without worsening the recession. But we had also recognized that any policy initiated at that time required continued scrutiny so that necessary adjustments could be made if the need arose.

We are now in the process of reassessing the state of our economy. We do so with a view not only to the needs of the United States but also to the impact of our policies upon other countries. In my discussions with Chancellor Schmidt, President Giscard d'Estaing, Prime Minister Trudeau and others, I have strongly emphasized the importance we attach to implementing policies which contribute to, rather than harm, the economic well-being of other countries. The policies we are now developing will, in our view, meet this test. They



will deal directly with the economic slowdown we now face without triggering major inflationary pressures which might result from an overly expansionary policy.

I expect that Secretary Simon will be briefing Chancellor Healey on some aspects of these policies during his coming visit to the U.S. I also expect we will brief your Embassy prior to announcement. Your visit will enable us to discuss these issues in greater detail.

I very much look forward to seeing you later this month.

Sincerely,

The Right Honorable  
Harold Wilson  
Prime Minister  
London

MEMORANDUM

6389-X (followup)

NATIONAL SECURITY COUNCIL

~~SECRET~~/SENSITIVE

ACTION

January 7, 1975

MEMORANDUM FOR: SECRETARY KISSINGER

FROM: ROBERT HORMATS *RH*

SUBJECT: Response to Message from Prime  
Minister Wilson

At Tab A is a proposed letter from the President replying to Prime Minister Wilson's message of concern about the adverse international impact of the U.S. recession. The reply indicates that the President shares Wilson's concern about recession and unemployment and that his new policies will deal directly with these problems without seriously worsening inflation.

I have coordinated with Denis Clift in the drafting of this response. But, because of the pro forma character of its economic aspects and the private nature of the message, I have not felt it necessary to show it to the speech writers or other economic types in the White House. If you wish me to do so, I shall. A copy of Brent Scowcroft's earlier memorandum to the President summarizing Wilson's message is at Tab B.

RECOMMENDATION:

That you sign the memorandum for the President at Tab 1.

Concurrence:  
Mr. Clift



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E.O. 12958, SEC. 3.5

~~SECRET~~/SENSITIVE

NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY *lsh*, NARA, DATE *3/9/04*

## THE WHITE HOUSE

WASHINGTON

~~SECRET/SENSITIVE~~ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER

SUBJECT: Response to Message from Prime Minister Wilson

Prime Minister Wilson's message, summarized in Brent Scowcroft's memorandum of December 31 (Tab B), expresses concern about the adverse impact which the U. S. recession is having on his country's economy and throughout the world. At Tab A is a proposed response from you to the Prime Minister indicating that you share his concern over unemployment and recession, that you are in the process of developing new policies which will address this issue without triggering major inflationary pressures, and that you look forward to discussing these issues in greater detail during his upcoming visit.

RECOMMENDATION:

That you sign the letter to Prime Minister Wilson at Tab A.

~~SECRET/SENSITIVE~~

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E.O. 12958, SEC. 3.5  
NSC MEMO, 11/24/98, STATE DEPT. GUIDELINES  
BY Wa, NARA, DATE 3/9/04

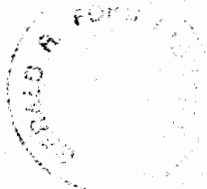
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ACTION  
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DECLASSIFIED  
E.O. 12958, SEC. 3.5  
NSC MEMO, 11/24/88, STATE DEPT. GUIDELINES  
BY WJA, NARA, DATE: 3/9/04





FROM:  
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BRITISH EMBASSY

WASHINGTON, D. C. 20008

TELEPHONE: (202) 462-1340

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(Peter Ramsbotham)

4444

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30 December 1974

HIS

# NSC CORRESPONDENCE PROFILE

DOC		RECD			LOG NBR	INITIAL ACTION O
MO	DA	MO	DA	HR	740 6389x	
17	1	17	17			

**SOURCE/CLASS/DESCRIPTION**

**HORMATS**

TO: PRES \_\_\_\_\_ FROM: KISSINGER, H \_\_\_\_\_ S/S \_\_\_\_\_ REFERENCE: \_\_\_\_\_ CIRCLE AS APPROPRIATE

KISSINGER X \_\_\_\_\_ COLBY, W \_\_\_\_\_ OTHER \_\_\_\_\_ UNCLAS LOG IN/OUT

SCOWCROFT \_\_\_\_\_ SCHLESINGER, J \_\_\_\_\_ C \_\_\_\_\_ LOU NO FORN NODIS

DAVIS \_\_\_\_\_ ST EX SEC \_\_\_\_\_ S \_\_\_\_\_ EYES ONLY EXDIS

TS \_\_\_\_\_ SENSITIVE

SUBJECT: *Pres Response to Ltr from PM Wilson of England - 4A*

**DISTRIBUTION/INITIAL ACTION ASGMT**

INTERNAL ROUTING AND DISTRIBUTION			REC CY FOR	ACTION REQUIRED
	ACTION	INFO		
ADVANCE CYS TO HAK/SCOWCROFT				MEMO FOR HAK .....
STAFF SECRETARY				MEMO FOR PRES .....
FAR EAST				REPLY FOR .....
SUB-SAHARAN AFRICA				APPROPRIATE ACTION .....
MID EAST / NO. AFRICA / SO. ASIA				MEMO _____ TO _____
EUROPE / CANADA				RECOMMENDATIONS .....
LATIN AMERICA				JOINT MEMO .....
UNITED NATIONS				REFER TO _____ FOR: _____
ECONOMIC				ANY ACTION NECESSARY? .....
SCIENTIFIC				CONCURRENCE .....
PROGRAM ANALYSIS				DUE DATE: _____
NSC PLANNING				COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)
CONGRESSIONAL				
OCEANS POLICY				
INTELLIGENCE				

**SUBSEQUENT ROUTING/ACTIONS**

DATE	FROM	TO	S	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	CY TO
01/07		HAK	X	Pres to Apr Ltr to Wilson (01/18)	
1/13/75		DAVIS		- Fwd for Further Action to Hormats	
		HORMATS	SEC.	UBT, Return to SECRETARIAT	

**NSC/S DISP INSTR**

DISPATCH \_\_\_\_\_

CY RQMTS: SEE ABOVE PLUS: \_\_\_\_\_

NOTIFY \_\_\_\_\_ & DATE \_\_\_\_\_ BY \_\_\_\_\_

SPECIAL DISPOSITION: \_\_\_\_\_

CROSS REF W/ \_\_\_\_\_

SUSPENSE CY ATTACHED: \_\_\_\_\_ FOLDER: \_\_\_\_\_

MICROFILM & FILE RQMTS:	
M/F'D _____	BY _____
CRT ID: _____	SA SF
OPEN _____	HP NS
CLOSE _____	WH EP
	PA DY