

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

SECRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
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, March 3, 1975
9:53 - 10:22 a.m.

PLACE: The Oval Office

The President: Did the French . . .

Kissinger: I wanted to talk about that. They told us last week they wanted to issue invitations to their consumer-producer meeting because of the OPEC meeting. We opposed tying it to the OPEC meeting and allowing OPEC to concert. Anyway we have not yet agreed on a program for alternative sources. I told the Germans and British last night we wouldn't answer until we see how the next IEA meeting goes. Unless we look too tough to handle, the French will take over.

The President: I think we have to be tough -- just like with the Congress.

Kissinger: Okay, I will stay on a collision course. That gets me to the IEA meeting. We can't have Parsky running around with a different position. Enders is a genius but he is abrasive. Basically, Treasury wants a tariff which anyone can put on and it is a little different from the free market. The alternative to our plan is a roller coaster on prices -- as the Economist article stated.

The President: Didn't my statement and the joint statement . . .

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E.O. 12958, SEC. 3.1
NSC MEMO, WAGON, STATE DEPT. COMBINES, State Dept. Review 3/11/04
BY llk, NARA, DATE 5/12/04



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CLASSIFIED BY Henry A. Kissinger
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SCHEDULE OF EXECUTIVE ORDER 11652
EXEMPTION CATEGORY 5(b)(3)
AUTOMATICALLY DECLASSIFIED ON Imp. to Det.

Kissinger: There are two types of tariff. One is tied to the floor price. The other is a tariff you just slap on without relation to price.

The President: I didn't understand that.

Kissinger: If the tariff is variable and related to target prices . . .

The President: Treasury wants to put on a \$3 tariff now and leave it regardless of oil prices?

Kissinger: That is right. If that were done, international oil would have to go to \$4 before it affected oil prices.

The President: Talk to Simon first.

Kissinger: I would like us to sign joint instructions. If he won't, we will come in.

On commodities, Simon has seen an internal memo of State, and is rushing through a paper of his own. I think we have a new world and we will have to treat commodities like we are treating oil. If we don't respond, the producers will band together and we will face an OPEC in every category.

The cattlemen told me Saturday they are losing their shirts. They suggest buying meat for PL 480. It's not a bad idea. I think we need a joint State-Treasury study effort.

I would like to call Brademas to tell him you won't buy his way out, using that NATO clause.

The President: No, I don't want to make that kind of a deal. Even action by the Senate would be useful.

It was obvious to me in the meeting last Friday that Mansfield wanted to be helpful on energy, and we should get him to help on Turkey. A little reciprocity.

Kissinger: My worry is that in effect we will have given up two thirds of our program. If after 60 days they come in with obfuscated program, you are in a tough situation.



The President: I think we have to let them have their hearings. Ullman will come around.

Kissinger: They will claim it is a big victory. But it's done.

The President: I will make a final decision after the vote count today, but I am leaning to delay. The best shot in the arm would be a House vote to sustain.

Kissinger: Katzir (the Israeli President) is non-political. He is a fine man who understands nothing. Be very tough. The American people will not understand if the negotiations fail. You should be especially tough, because he can't talk back but just report it. Say there is erosion of support in the country.

The President: I heard that somewhere recently.

Kissinger: It is a novel idea -- Saudi Arabia has been bigoted forever. The Saudis -- if we insist on Jews in the Foreign Service and military -- will just tell us to go to hell. It may overthrow the government, which would bring us a Qadaffi-type government. I told a Jewish reporter that we send FSO's where they can be effective. Every day our spokesmen are being harassed on this issue. If this keeps up like on the Soviet Union, the Saudis will do worse than the Russians.

The President: Do we send Jews to Iran?

Kissinger: There's no problem there. We don't keep records by religion, but I guess there aren't any in the Arab countries.

If you could be tough with Katzir and say what we don't need is public statesmen. I am beginning to think Dinitz is too much of a politician for this job.

Cederberg said we don't have a chance.

The President: He said he would fight, but he told me the same thing.

Kissinger: If we lose, can we go the waiver route?

The President: That would go through authorization committees.



Kissinger: Morgan is such a coward.

[The President reads the statements made at the time of the bombing halt.]

That was the turning point. The PRC was passing messages to Cambodia for us.

You are meeting with Church tomorrow. We will do a talker also on the NSC meeting. We will give you a talker for you to say we want this to work and we don't want their testimony to undermine Vladivostok.

The President: We want that agreement. Give me a strong talker.

[He reads Habib cable.]

I talked to Brent about the delegation coming down to see me. Is that a good idea?

Kissinger: They will push for a peace initiative, but they only work if the situation on the ground is favorable. Maybe we should put out a record of all the peace initiatives we have made.

The President: Let's meet maybe Wednesday morning.

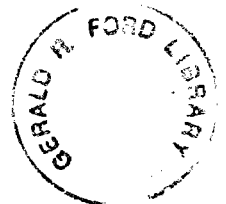
Kissinger: The delegation won't be all that favorable when they get back here. There will be hookers we can't buy.

I have never seen such a period -- it is inexplicable.

The President: A bunch of cowards in the public arena.

Kissinger: Scared of what? I think it is a systematic effort to destroy our foreign policy. If we lose Vietnam, Korea may go; Japan will shift and we will have bitter divisiveness here for years.

My instinct is they are drawing the lines so sharply that you are better off being strong. My instinct is in that direction but I haven't done the arithmetic.



The President: Let me think. If I do it, let's emphasize we have \$1 on now and we will put the next one on 1 May.

Kissinger: The tariff gives you all kinds of flexibility. It is a very good tool.

The President: But if we lose, we don't have any flexibility.

Kissinger: Tomorrow we should go over in detail every negotiation.



P/R

3 Mar 75

Monday
9:33 - 10:22 AM

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P Did a French

K I wanted to talk about that. They told us last week they wanted to impose because of OPEC mty, we opposed trying to Opec mty + allowing Opec to export - anyway we have not yet agreed on alt issues. I told Comman & Be last night we could not discuss until we see how next IEA mty goes. Clashes are looking too tough to handle, & Fr will take take over.

P I think we have to be tough - just like w/c Com.

K OK, I will stay on collection corner. That gets me to IEA mty. We can't have Lashby running around w/ a dip position. E makes a genuine but he is dramatic. Basically, Treasury wants a tariff which anyone can put on & it will stay from free market. The alt. A com plan is a roller coaster price - as Economist article stated.

P Didn't my statement + joint statement

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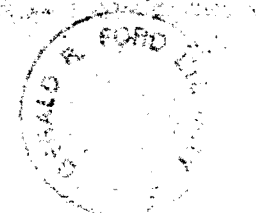
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K That's right. If that were done, ^{with} oil would have to go to \$4 before it affected oil prices.

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K I would like us to sign joint instructions if he ~~was~~ ^{is} absent, we will come in.

On conditions, Simon has seen an internal memo of State, and is rushing thru a paper of his own. I think we have a new world scene.



will have to treat countries like we are oil. If we don't respond, producers will bond together & we will face Opec in every category.

The Cellman told me that they are losing their shirt. They suggest buying wheat for PL 450. Not a bad idea. I think we need a joint State - Treas study effort.

General White call Bradman & tell him you won't buy his way and using that NATO clause.

→ P No, I don't want to make that kind of a deal. Executive action by a Senate would be useful.

It was obvious to me in my last Friday that Mansfield wanted to be helpful energy & we should get him totally on Turkey. A little reciprocity.

R My worry is that in effect we will have given up 2/3 of our pay. If after 60 days they come in w/ an offer of a pay you are in tough set.

I think they are honest but they have their hearing. Cellman will come around.

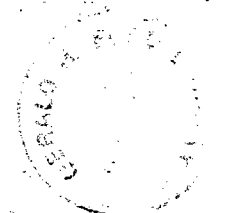
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Schedule next morning w/ Delegation.

may mention a point - which would bring us a Qadafi point. I told a Jewish reporter that we should ES's where they can be effective. Every day our spokesmen are being harassed on this issue. If this keeps up like on SD, & Saudis will do worse than a Russians.

P Do we send Jews to Iran?

K No problem there. We don't keep records by religion, but I guess there aren't any in Arab countries.

If you could be as tough as Katzir & say what we don't need is public statements & hoping to think Dinitz is too much of a politician for that job. Goldwater said we don't have a choice.

P He said he would fight, but he told me something.

K If we lose, can we go a another route?

P That would go through another route.

K Wagon is such a coward.

(Reads statement at trial of bombing halt)

That was a turning point. The PRC was passing way to a Cambodian for us.

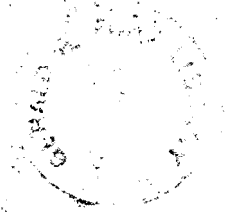
* You sorry Church tomorrow. We will do a talker also on NSC note. We will give you a talker for you to say we want this to work & we don't want their testimony to undermine it all.

* P We want that agreement. Give me a strong talker (Reads Habibi cable)

I talked to Brent about a delegation coming down to see me. That a good idea.

K They will push for peace initiatives, but they only work if a set ground is favorable. Maybe we should put out more formal peace initiatives.

* P Let's meet maybe Wed morning.



K The delegation won't be all that favourable when they get back here. There will be hookers we can't buy.

I have never seen such a period - it is unprecedented.

P A bunch of cowards in a public arena.

K So called of what? I think it's a systematic effort to destroy an F.P. If we lose the Kees may go, Japan will shift and we will have better discussions here for years.

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K Tomorrow we should go over in detail very much.
For example,

