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MEMORANDUM

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

PARTICIPANTS:

Prime Minister Harold Wilson, U.K. James Callaghan, Secretary of State for Foreign and Commonwealth Affairs

Sir John Hunt, Secretary to the Cabinet

President Gerald 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:

PLACE:

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SUBJECTS:

Friday, January 31, 1975 11:03 a.m. - 12:15 p.m.

The Oval Office The White House

Middle East; Concorde; Law of the Sea; UK Defense Review; Mildenhall Agreement; Nuclear Materials

President: We enjoyed having you last night.

Wilson: I woke up in the night singing Alleluia.

<u>President:</u> She [Beverly Sills] is a fine person, besides the marvelous voice.

Wilson: She is a warm, friendly person, obviously intelligent. [There was light discussion about government spending on the arts, and about "open universities."]

<u>President:</u> Let me comment a bit on the matter we discussed before dinner. I want to emphasize the importance we ascribe to the Middle East. This trip of Henry's is the most important of this Administration and maybe for some years. It is a gamble. If it succeeds, we have a great success. If it fails, we have a serious problem -- with heavy defense implications -- which I am prepared to face. Henry, will you sum up where we stand?

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<u>Kissinger</u>: There are two possibilities: Either Israel wants progress, or Israel really wants a stalemate. We have been telling Israel that Egypt must have the passes and the oil fields in a new agreement to justify the risks he is taking. There will be a quid pro quo -- Israel will get something, but it can't compensate completely. What they will get besides what there is in writing is: that the policies of Egypt and Syria will not be synchronized; that at Geneva we will still have influence because we will be the only ones who have produced something; that we will have strengthened the moderate Arabs; that we will have preserved our influence with the Arabs. This benefit will last us a year or two, in which time our domestic situation -- our economic and energy situation $-\frac{1}{7}$ will be much improved. The alternative is that we will be faced by a bloc of unified Arabs backed by the Soviet Union -and probably with European support. You know that better than I.

Wilson: I'll say something on that.

<u>Kissinger</u>: And we would then be faced with a stalemate that we have no means to break. Otherwise we could sell it to the Arabs that this is the price of Israeli movement.

Wilson: What can you do with Syria?

<u>Kissinger</u>: I assume this discussion will be confined to this room. I think if we could get a few kilometers... The Syrians now, for the first time, have indicated willingness to move step-by-step. We have not discussed this with the Israelis -- it will be a massive problem. We would have to decide whether to move ourselves with Syria or go to Geneva. The problem is the settlements that Israel has built on the Golan right up to the line.

Wilson: Israel always makes a big thing out of how long the UN troops will be there.

<u>Kissinger</u>: But if Egypt brings pressure on the countries supplying the troops, I have no doubt they would remove them, whatever time period was agreed.

We can insure Israel against further pressures for another partial withdrawal, but not against a discussion of a final settlement.

Assuming an Egyptian settlement can be reached in March, it would be worked out and implemented over the rest of the year. If Geneva starts

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in June, UNDOF could be renewed in May. We would use Geneva for that. Then we could see how it went at Geneva. If there is a total stalemate at Geneva, all of these pressures of course would build. We can't prevent that, but we would at least be in Geneva having achieved a success, not with the failure of American policy.

<u>President:</u> The practical point I face is that Israel is anxious for a \$2.6 billion program in aid.

<u>Kissinger</u>: Which they published in their own budget without telling us they were doing it.

<u>President:</u> If I do that, with no progress achieved except going to Geneva, -- how can I do it? I couldn't in good conscience ask for it.

Callaghan: Has it been made clear to the Israelis?

Kissinger: Not really.

Wilson: Who are the Israelis?

<u>Kissinger</u>: That is a good question. Allon is O.K. Rabin may be. Peres is against it. The others I don't know.

Wilson: Dayan has been cleared [by the Agranat Commission], so now he can start his games again.

<u>Callaghan</u>: Is it helpful if we point out the difficulties for your budget if there is no progress?

<u>Kissinger</u>: The problem we have is that the Israeli government leaks. We haven't told them the budget problem so it wouldn't leak and bring the Jewish community down on us. I plan to low-key the first trip -- to get the maximum concessions I can from Sadat and then tell Israel what the President just said.

<u>Wilson</u>: How much influence does the Soviet Union have in the area? I don't mean Iraq, but the others.

Kissinger: They have ties mostly with Syria. But even the Syrians don't like them. The last day of the Syrian disengagement negotiation in May, they kept Gromyko circling in the air until I was ready to leave, and they cancelled the dinner they had scheduled for Gromyko and served the same dinner to us.

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Wilson: He is going on the swing again.

Kissinger: It's the same old tricks. He is just forcing another humiliation, because he can't do anything useful with our negotiation behind him.

Wilson: What can we do? Peres I don't consider a helpful figure -- I have known him since 1962 and haven't changed my mind.

President: I like Allon.

<u>Wilson</u>: I agree. He is a good friend of ours. He came from Washington in a state of euphoria.

Kissinger: I can't imagine why. But he will try.

<u>Wilson:</u> I don't know how successful he can be. It's an uneasy coalition and a difficult situation. I think Allon's euphoria is based on his feeling that he got a bit of a stalemate. He seemed relieved that he hadn't been asked for something.

<u>Kissinger</u>: We can get them some de-facto stalemate. But if we fail in this negotiation, Geneva will be a U.S.-baiting operation. You and France will be invited and pressured heavily to support a sweeping settlement and the '67 borders.

Wilson: Apart from Europe, what can we do?

<u>Kissinger</u>: Don't give them moral support on the passes and the oil -- if you agree with us. You have great moral standing with them.

Wilson: What will the Soviet Union say to us?

<u>Kissinger</u>: They will want to go to Geneva, although they have backed off a bit.

Wilson: Are they happy with Middle East developments, disturbed, fearful of war, or what?

Kissinger: I think they have lost their cool on it.

Wilson: I think they will try to tell us we are wrong about the Middle East, and try to get us to convince Israel they are wrong.



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<u>Kissinger</u>: We wouldn't mind your telling them that if they want progress they should come up with ideas which don't just make them the lawyer of the Arabs.

<u>President:</u> And you can tell them we are not opposed to a Soviet role in the Middle East.

Callaghan: What sort of a role can they play?

<u>Kissinger</u>: On issues like Golan, they could weigh in with ideas for a solution that Israel could live with.

Wilson: At the summit of the EC -- this is just among us -- at a break Giscard said that Helmut wanted to raise the Middle East. Helmut was very tough -- he mentioned Israeli nuclear weapons and said, what can we do to hold them back? Schmidt is strongly pro-Arab but still he told Giscard that he was disappointed with the French position of obstruc-Then Schmidt fell asleep for the rest of the meeting. [Laughter] tion. Then Giscard elegantly explained his position and there were murmurs of support. I said I wondered if it was useful if we all had an identical line -- wasn't it better to harmonize our respective views and use our different influences to solve the problem? The Dutch supported us, and also the Dane -- what a good man. Tindemans then supported my line. Then Giscard -- like a 17th century aristocrat -- said that Israel should remember that the Big Four set up Israel and we might have to reconvene that. I said we had tried resurrecting that before and it hadn't worked. But I don't know if he was proposing this or just saying Israel should be grateful. The Luxembourger said he felt physically sick when the EC abstained.

President: I think you were playing a most helpful role. You could express to them my deep concern that progress has to be made. We can't tolerate a stalemate. My record is pro-Israel, but I have to take a broader view. If there is no progress I can't, in good conscience, submit a request for \$2.6 billion. If it is introduced into Congress, I will not be sympathetic.

Kissinger: We think we are saying this as friends of the Jews. It would be a disaster for the Jews for us to get into a confrontation with the Jewish community on this.



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If there is a war this year, coming from a stalemate in the negotiation, preceded by quarrels at Geneva, with the prospect of the Soviet adventurism -- this can't be in either our or Israel's interest. Furthermore, we can't single out Israel for attention which we don't give any other part of the world. To give them money for a stalemate which might lead to war, will in the long term hurt the Israelis and the Jews.

<u>President:</u> The American people are not prepared to enter a war for Israel.

Callaghan: We, of course, are vulnerable to withdrawal of Arab sterling reserves.

Wilson: A lot of our left wing is pro-Arab. It is extraordinary, because they -- the Arabs -- hardly represent a radical revolution or social revolution.

<u>Kissinger</u>: I think it is probably premature for the Prime Minister to bring pressure now. They could say they were being flexible. After I have come back, I would know what Israel has offered. I could stop through London on my way back.

<u>Wilson:</u> What we can do with Israel depends on who we would talk to. Their Ambassador no, but if Allon came, we could talk to him.

Kissinger: He will be in Germany on the 20th.

<u>President:</u> Henry has mentioned the leadership meeting here on the day of the October alert, when they all said they would give aid to Israel but only up to -- and not including -- sending American forces. Israel has had tremendous support in the United States, but I'm not sure it is as broad and deep as it was earlier.

Kissinger: I think your influence would be wasted with the Arabs.

<u>Callaghan</u>: I'd appreciate a word of guidance on briefing the EC. I'd give no details, of course.

Kissinger: I would give an air of guarded optimism. That is what we have done.

Wilson: I want to avoid the impression either that we are in a mediating or message-carrying role with the Soviet Union.

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Miscellaneous Issues

President: Is there any other issue?

Wilson: I just want to raise Concorde so I can say I did it. What else is there?

Callaghan: Law of the Sea.

Wilson: Yes. I know nothing about it.

President: The problem is Congress is trying...

<u>Callaghan</u>: Our problem is the nature of the international regime -- should it be by joint licenses, or have joint ventures with private companies, or should it operate itself?

<u>Wilson:</u> On defense, we have nothing to raise, but we are grateful for the way you all accepted our defense review. I know you are feeling lonely in many parts of the world. We had a little trouble with Diego Garcia, and the Soviets will raise it.

The Mildenhall agreement....

President: We are happy to continue it.

<u>Callaghan</u>: The French have asked us for platinum supply -- I am happy to say we had none of that trade to give them.

President: We talked with the French about a nuclear suppliers conference.

Wilson: Were they responsive?

Kissinger: Mildly so.

Wilson: We mustn't keep you. You've been very good to talk to us.

[The meeting broke up into informal President/Wilson and Callaghan/Kissinger conversations. There was agreement and satisfaction with the closeness of our relations and the benefits of these personal discussions. The meeting then ended.]

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