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TRP SENSITIVE EUROPE
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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: Nov. 28, 1973
3:00 p.m.
The Secretary's office

SUBJECT: US-European Relations

PARTICIPANTS: Dean Rusk
Douglas Dillon
David Rockefeller
McGeorge Bundy
Cyrus Vance
John J. McCloy

The Secretary
Assistant Secretary Stoessel
Mr. Sonnenfeldt

The Secretary said he wanted to exchange views on Europe with the assembled group which was made up of persons as dedicated to the Atlantic Alliance as we are in the Department. We are faced with a perplexing and disquieting situation and he wanted those present to know what we have attempted to do; if we have gone wrong or if anyone thinks we have been mistaken, he hoped everyone present would be frank in saying so.

WJ
EHR:WJStoessel, Jr./afm
(Drafting Office and Officer)

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Rv dtn

NARA Date 4-26-02

The overwhelming complaint we receive from the Europeans concerns the lack of consultation. The Secretary therefore wished to go over various subjects to illustrate the problem of consultation and then get the judgement of the group.

The Year of Europe

The first time this phrase had been used was in the Secretary's press conference in December 1972, when he said that relations with the Soviet Union were not our paramount goal and that soon after the Viet-Nam conflict was over we would undertake a major reappraisal with regard to Western Europe.

In December of 1972, when the Secretary was in Paris for Viet-Nam talks, he had seen Pompidou for 1-1/2 hours and had explained to him what we planned to do in connection with Europe and that we wanted to do this in the closest cooperation with France. The Secretary saw Pompidou again in January 1973 and never received any negative comment from him. Pompidou gave James Reston an interview about that time in which Pompidou's comments about US-European relations substantially paralleled our own.

At the end of January 1973, Heath had been in Washington and had spent a whole day with the President

and Dr. Kissinger at Camp David, during which the conversation had all been about the "Year of Europe". The Agreement to Prevent Nuclear War had also been discussed.

The Secretary had also talked with Egon Bahr concerning the "Year of Europe".

Subsequent to the April 23 speech, everyone complained that they had only received twenty-four hours notice of the actual text. This was necessary because of our own bureaucratic requirements. Perhaps some phrases in the speech should have been changed, but that is not the heart of the issue.

The Secretary went on to describe what we were attempting to accomplish through the approach outlined in his April 23 speech in terms of revitalizing the Atlantic Alliance in the light of changed circumstances. He described in detail the reaction of some of our Allies to the proposals in the speech. Brandt had warmly welcomed the speech and had told the President he objected to the word "charter" but had no objection to the content suggested for a declaration. The British had strongly welcomed the speech and Heath had proposed a steering committee of the major Allies to work on an appropriate response. The British Foreign Office, which was concerned

about the exclusion of Italy from such a committee, suggested that a reply could be prepared by a meeting of Deputy Foreign Ministers of the NATO countries. There never was a suggestion that the U.S. should deal with Europe as a bloc.

When the Secretary saw Jobert, he opposed the whole idea and said it was an attempt to establish U.S. hegemony. Jobert warned that if we tried to get Europe as a group involved in the exercise this would lead to a break. He said we were putting up Davignon in an effort to get the Nine involved. The French proposal was for a series of bilateral consultations between the major countries (not including Italy) after which there should be a Deputy Foreign Ministers' meeting.

The Secretary met three more times with Jobert, with Burke Trend of the U.K., with the Italians, and with FRG Foreign Minister Scheel. All saw the President and promised that their versions of the Atlantic Declaration would be better than anything we could produce. At the same time, there was an amazing incongruity between these remarks and stories which were being fed daily to the press in the countries concerned relating how the foreign officials were facing the President down and also alleging that the U.S. was attempting to globalize issues and

denigrate the "Year of Europe".

At the end of July, after we had accepted every proposal made to us by the Europeans, they announced to us that they planned to get together as the Nine to prepare their response and that in the meantime they would not communicate with the U.S. We would hear from the Danish Foreign Minister who would come to us as an instructed representative. We were to know nothing about the drafting process.

This started something which the Secretary found extraordinarily worrisome. The declaration itself is not so important; we will finish it in a tolerable way and we won't invest great capital resolving the outstanding questions. But the Nine won't discuss with us until they have made their decision and we are faced with the situation where the countries who can negotiate with us won't talk and those who can talk with us can't negotiate.

We agreed that meetings with the Nine would be at the Assistant Secretary level to work on the declaration and the U.S. has been represented by Mr. Stoessel and Mr. Sonnenfeldt. The negotiations had hardly been normal, however; there is no real negotiation, since the Europeans state their position, then we state ours, and then the Europeans go away to work out their response, after which the whole process is repeated. Thus, whereas we hoped that the Common Market would lead to

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better relations with the U.S., we now are forced into a type of consultation which is worse than we have with any other country.

We had proposed that the declaration include Japan and had suggested a trilateral declaration. The Europeans have resisted this. Recently they sent a note to the Japanese with no advance notice to us suggesting bilateral negotiations between the EC and Japan. The last paragraph of the note said that any declaration which included the U.S. would have to be vague and general but that a declaration confined to the EC and Japan could be concrete. The Secretary asked what our presence would do to make such a declaration vague.

We therefore have both substantive and procedural objections to the approach to Japan; we feel that this action is really extraordinary for friendly countries. Japan is the last nation in the world which should be exposed to the temptation of a competition as to which power can offer more. Like Germany in Adenauer's day, Japan needs to be firmly involved in a structured relationship and the separate approach of the EC goes against this.

The EC has also approached Canada separately, with a view to excluding the U.S. The EC has never told us about this but we learned about it from the Canadians.

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The EC made a declaration on the Middle East early in November with no advance warning to us. It was published the day the Secretary arrived in Cairo and proved highly embarrassing to Sadat, particularly on the point of returning to the October 22 cease-fire lines.

Leaving aside procedural points, we have reached a situation where, under French leadership and with the acquiescence of the British, the Europeans are seeking their identity in opposition to the U.S.

This has reached such a point that a few days ago a French official, in talking to a member of our Embassy in Paris, accused us of clearing the EC Middle East declaration in advance with the Dutch.

All of this forms a very worrisome pattern. Our transgressions can be fixed. But the European approach is organically imbedded in the structure which they have created.

The emotional content has been drained from the declaration exercise. The Europeans refuse to use the word "partnership". They allege that we have no consultations with them but at the same time they reject the idea that new conditions require new forms of consultations. They assert that they want an undiminished commitment of the U.S. to go to war to defend Europe but at the same time they refuse to sign a declaration at the head-of-government level.

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The Secretary felt that we shouldn't waste too much time on all this but in fact the malaise is going deeper all the time.

In response to a question from Mr. Vance about the French attitude, the Secretary said it is clear that the French made a decision early this year basically to oppose the U.S. The President really is pro-Gaullist; the Secretary said he himself had written articles in the past favorable to the Gaullist point of view (he now felt these were probably wrong). We have not counterattacked the French and we are being criticized for not doing so by many in Europe. Nevertheless the French escalate their attacks on our policy.

Mr. Rusk asked if the French want our troops out of Europe. The Secretary said they did not. The French say it is in our interest to have the troops there. When we say that NATO can no longer be based entirely on defense considerations, the French say this is a subterfuge for pressing U.S. hegemony.

The Secretary said the British had made a decision in June to earn their spurs as Europeans by supporting the French. The British have provided expertise and legitimacy. They have not led the charge against us, but they have been

only one step behind. At the same time, we hear constant appeals from the European countries to understand their situation and their inability to counter the French position.

Mr. Rusk asked about Sir Alec Douglas-Home. The Secretary said he felt Heath really has no emotional commitment to the U.S. He has an intellectual commitment, but not an emotional one. He is really more inclined toward the French. Sir Alec perhaps has more emotional commitment to our side. When the Secretary had seen Sir Alec in October, Sir Alec had said he hoped the Secretary would make a strong speech in London countering the French views. It seemed odd that the Secretary was asked to say this in London when the British would not.

The Secretary said the British situation is particularly painful to us. Before, we did not treat the British as a foreign government. We have relied on them as a bridge to Europe. This year we consulted constantly with Burke Trend and showed him all our work papers. We understand that the British do not want to repeat the mistake they feel they made in Nassau with Macmillan. However, the British are very doctrinaire about Europe. They are milking us for intelligence information but they are making no input on their own.

In response to a question, the Secretary said that Lord Cromer is of no help, although he is well meaning. We know what the British are doing in Cairo. We saw Cromer constantly and gave him information; our information is being used as much in Cairo to support a separate U.K. position as it is to support a common position.

Previously, there was a constant exchange of leaders at the highest level with the British. This does not take place now, and it is at their initiative.

The Secretary said the French lead the charge against us in the Nine while the U.K. does the same in NATO.

Detente

The Secretary said there are bound to be problems in the Alliance when the senior partner is seen to be dealing intensively with the Soviet Union. However, practically every Allied leader asked us to do this; they wanted us to push CSCE, MBFR, SALT, and they themselves signed their own declarations with the Soviet Union before we conceived of our own.

All of this presents particular problems in connection with consultation, and we recognize this. So far as SALT is concerned, we have made a real effort on consultation and

this has been successful; it is a matter of contention now.

Last fall, the U.K. led the charge against us in NATO on MBFR. They made a big fuss about the fact that we had set a date to begin MBFR talks with the Soviets. This is something all the Foreign Ministers had wanted to fix and it is true that when the Secretary was in Moscow he talked with the Soviets and we agreed on a date. This episode left some feeling of acrimony.

What really hurt was the argument about Hungary being in the MBFR talks. We were accused of sacrificing the security of Central Europe by dropping Hungary as a direct participant. The U.K. wanted Hungary in and the Soviets said that if Hungary were in then Italy should be in. We wanted to keep both Hungary and Italy out. It was really a nothing issue. We didn't want Italy in because this would involve the Sixth Fleet and could also bring Greece and Turkey in, which in turn would lead to bringing in Bulgaria and Romania. We felt it would be best for the Western countries to go for a common ceiling which would exclude Soviet forces in Hungary. If these forces were excluded then Soviet reductions under the Western plan would amount to a ratio of 3 to 1; with the forces in Hungary included, the ratio would be 6 to 1. We couldn't ask for this and

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therefore felt that the NATO guideline area was the only possible basis. If we looked at cuts from a percentage standpoint, it also did not make sense to include the forces in Hungary.

The Secretary repeated that this was not really a policy issue. However, the British raised it twice to the presidential level and several times to the Secretary of State. This can only be ascribed to a British desire to be a spokesman in NATO against the U.S.

Even more worrisome has been the debate about the Agreement on Prevention of Nuclear War. The folklore in Europe is that this was sprung without any warning and that the agreement leaves the Europeans to the mercy of the Soviets. Jobert says this constantly and no one else in Europe contradicts him.

Actually, the Soviets originally proposed a treaty which would have to be ratified and which specified agreement on no first use of nuclear weapons between the Soviet Union and the U.S. If we had agreed to this sort of thing, it could have had the consequences which the French say the present agreement has.

We informed the British, French, and Germans of our talks with the Soviets on this subject even before we informed the State Department. (This might seem a strange

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way to proceed but the situation has now been rectified.) The Germans generally favored the project. The British and ourselves held extensive consultations and concluded that, if we could change the agreement so as to state objectives and could phrase it so that it would be aimed at avoiding any war, rather than just nuclear war, and could apply not only to the U.S. and the Soviet Union but also to any third country and could exempt existing alliances -- then it would be a good thing. It would place an obligation on the Soviets to state that the way to avoid nuclear war is to avoid any war and could counter the Soviet effort to differentiate between nuclear and other types of war.

In fact, the final agreement was drafted 90 per cent by Sir Thomas Brimelow. The British, French, and Germans were kept informed at all stages of negotiations. Nothing was done that they did not know about. It is true that the French were not enthusiastic but they never said what they are now saying. They claimed only that the agreement could promote the illusion of detente; they never said anything about the agreement leaving Europe undefended.

With all this background, it was shocking that, when the agreement was raised in NATO, the representatives of the U.K, France, and Germany did nothing to help and only asked

questions which had already been asked and answered before in our consultations. This was a cynical performance.

Jobert, in a recent speech to the National Assembly has cited the agreement as the reason why Europeans must create a defense community and why Europe must at all costs be independent of the U.S.

We are not against European identity or even a European defense community. But we are concerned that this not be on an anti-American basis.

It is true that some of the smaller countries have more reason to complain about lack of consultation. We relied on the U.K. and the Germans to be our spokesmen.

So far as the SALT principles are concerned, the Europeans were actively engaged in drafting them with the U.S. There is no problem about this.

You can't put everything before the NATO Council. We therefore, have had a tendency to "confine our consultations" to the U.K., France, and Germany. Maybe this was a mistake, but it is correctable.

The Middle East

The Secretary said that here the folklore is that there was insufficient consultation. It is true that senior people

are so taxed in times of crisis that there may be some merit to this, but the difficulties were produced by other factors.

There were three phases: the first phase when we tried to stop the ~~fight~~^{fighting} quickly; the second when the Soviets began their airlift and we countered with our resupply; and the third when the Soviets invited the Secretary to Moscow to work out a cease-fire. In all of these phases, consultations took place, but in the intervals between them there was not much going on and therefore not much to consult about.

Within one hour after the war had started, the Secretary had called Cromer and said he thought we should introduce a resolution in the Security Council as soon as possible to end the war. He also was in touch with the Soviets about this. At that moment we thought the Israelis would win quickly and that we would need to act against the Israeli success. The resolution was intended to hold the Israelis back. The Soviets, of course, rejected this move and the U.K. said it wanted a simple cease-fire.

The next day, after the British had talked with the Egyptians, they said they didn't want to do anything and didn't want to use their influence. Then the Secretary talked with the Soviets and he called the British and French daily about his talks with the Soviets. The Secretary, for their views but they said nothing.

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When Jobert saw the Secretary in Washington October 11, he said that only the U.S. and the Soviets could do anything.

Again, the Secretary went to the Soviets who said they would abstain on a cease-fire if someone could put in a resolution. At that point, the Egyptians were on the east bank of the Suez and the Israelis held a slice of Syrian territory. The Secretary pressed the Israelis to accept a cease-fire, which they did Friday afternoon. He then went to the U.K. to ask them to introduce a resolution. The Secretary said it was all right if they wanted to make it a UK-French proposal.

On Saturday morning, the British said they would not introduce the resolution, since they had checked with the Egyptians and found that the Egyptians did not want to do it. Actually, what had the British asked the Egyptians to do?

 It turns out that they had asked the Egyptians whether they wanted us to put forward a resolution: the Egyptian answer could only have been no. If they had asked the Egyptians what they would be able to accept, then it might have been different. The U.K. Ambassador in Cairo had told the Secretary that he had not been permitted by his instructions to ask the second question.

Once the Soviets had started their airlift, we had no choice but to begin our own resupply effort. Whatever mistakes

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may have been made prior to 1973 -- there probably were plenty -- a victory achieved by the Arabs through Soviet support would have had most serious consequences for the moderate Arab regimes. Therefore, we resolved to undertake a resupply by air in order to maintain the balance.

The Secretary informed Cromer of our decision. He later came in and protested and said that it would be better to let the Israelis be defeated.

We presented our case in the NAC on October 17, but the discussion was inconclusive. The French made clear that they did not want their detente to be hurt by our actions.

There has been a lot of discussion about Allies refusing bases to the U.S. Actually, they did not refuse since we did not ask for such bases. The countries involved had made clear in advance that they would not permit us to use such bases, so we did not ask.

Kosygin went to Cairo and upon his return to Moscow we received a Soviet proposal for a cease-fire together with quite an expanded interpretation of Resolution 242. We informed the British and French of this and we told the Soviets we needed 24 hours. Brezhnev sent a letter saying that it was most urgent that he know our views since he needed to make a decision. He then asked that Kissinger come to Moscow. We feared that the Soviets would introduce a

unilateral resolution, so we decided that the Secretary should go to Moscow. The British, French, and German Ambassadors were called in and told about the trip and what we intended to accomplish. In Moscow, one hour after agreement with the Soviets, the Secretary saw the British and French Ambassadors in the guest house. All of this shows that the charges of inadequate consultation are just not correct.

After Moscow the Secretary had stopped in Israel and then in London on his way back, when he saw Sir Alec and told him what had gone on.

Then came the alert.

The Alert

During the crisis, three of the eight Soviet airborne divisions were on the alert. We then received information that seven of the eight divisions had been alerted, and that all air transports had been grounded. We heard that a command post had been established in southern Russia. We also learned that a flotilla of navy ships was headed for Egypt.

Dobrynin had been mild all day long, and we had been engaged in discussions of how to set up a peace conference. Our two representatives in New York were in touch with each other. Dobrynin asked that we reaffirm Resolution 338

and the Secretary called Scali to tell him to do this with the Soviets.

The Secretary spoke as follows:

"At 7 p.m., Dobrynin called me and said that there was a move in New York to propose a joint US-Soviet force. I said this was a bad idea and I hoped the Soviets would be against it.

"On October 24 Soviet ships with nuclear weapons went through the Bosphorus. We got this information after the crisis was over, but it shows that they had a contingency in mind.

"Dobrynin called and said that Malik had instructions to support a joint US-Soviet force in order to enforce the cease-fire. I said the U.S. couldn't possibly join such a force which would be against one of the participating countries. I couldn't believe the Soviets would do this so soon after our agreement in Moscow." Dobrynin said that, if the nonaligned countries did not introduce such a resolution, the Soviets would do so.

"At 10:15 p.m. Dobrynin called and read me a letter addressed to the President from Brezhnev. Thereafter, they sent over the text of the letter. I should note that every previous communication from Brezhnev to the President had begun by 'Dear Mr. President' or some other complimentary salutation. This letter began simply 'Mr. President'.

It went on to say that the Soviet Union believed that a joint US-Soviet force must be formed. It was necessary to achieve this without delay. The letter said 'I will tell it to you straight: if you do not agree to this idea, we will be required urgently to consider unilateral action'. The next paragraph said something about Israel which was not couched in very conciliatory language. The final paragraph said that Brezhnev expected a clear and urgent answer.

"This letter, combined with the other signs already noted, indicated that we would have been irresponsible not to assume that the Soviets were preparing to move airborne divisions toward the Middle East.

"We then proceeded as we had done in the Cuban missile crisis. The President did not participate directly but was kept informed at all stages. A group was formed which constituted the NSC. Hal Sonnenfeldt was in and out of the room. Joe Sisco was in the State Department heading the Task Force and was in constant touch.

"Everyone concluded that there was a real danger of a Soviet movement. I called Dobrynin three times and told him that I hoped they would not take action before they received a response to the Brezhnev letter. Dobrynin never once questioned what was going on or asked why we were having a meeting of the NSC. He simply said he would report what I was

saying. Now he is going around town saying that we misunderstood the situation. He could have told me at the time that things were not so serious and that we were making too much of it. But he did not do so.

"By now it was 1:00 a.m. We concluded that we had to act. If the Soviets were going to move, they would do so in the early morning hours, Cairo time. We knew that AN-22s had been alerted to leave Budapest at 6:00 a.m.

"We deliberately went on alert before the reply was dispatched in order to show that we were serious.

"I called Cromer about midnight and told him what was going on. He said it was a good idea. I never heard back from him.

"We informed the NAC one hour before the reply to Brezhnev was delivered. We didn't want to inform NAC before because we didn't want a leak to the Soviets before everything had been implemented.

"The Allies say that they were concerned that we had not told them in advance. But aren't there circumstances when the senior partner feels it is necessary to go on the alert and when there should be understanding for this? Actually, the Allies should have been relieved at our action. I'm sure that, if some incident with the Soviets happened on the Autobahn, they wouldn't want us to wait to debate the matter for four days.

"Nevertheless, from Sir Alec's remarks in Parliament, you would never know that the British had been informed."

Oil

The Secretary said that, of course, the question of oil is of utmost gravity to Europe and to the U.S. The best guarantee for a resumption of oil shipments is the speedy resolution of a peace settlement. This depends on Israeli withdrawal and a modicum of restraint on the Arab side so that the whole thing doesn't turn into a surrender operation.

We must demonstrate to the Arabs the limits of what is obtainable. But this is very difficult when the Europeans are attempting to ingratiate themselves with the Arabs on a short-term basis.

What we want to do is set up a peace conference and get some progress at it. Then we will tell the Arabs that further progress depends on an easing of the oil threat. We can't get into a negotiation with Faisal linking the peace terms with the oil supplies; this would be very dangerous.

In general, the whole idea of blackmail by raw material producing countries is very dangerous. The OAU countries are now thinking about this.

Our strategy with the Arabs is not working badly. The Saudis have a good idea of what the Europeans can deliver.

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Mr. Rusk asked if Libya and Iraq are sending oil to Europe "under the rug". The Secretary said that Iraq has special arrangements with the French. He remarked that, when one sees [REDACTED] of what the U.K. and the French are saying to the Arabs, it is worse than it was in the thirties. [REDACTED]

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The Secretary said that he considered Atlantic relations central to our foreign policy. If we cannot restore some vitality to this relationship, then it is hard to see where either side will go. The problem is very profound and certainly is not explainable by a lack of consultation. The real problem is that some Europeans want to organize unity against the U.S. Perhaps this is based on the idea that they must oppose some one in order to achieve this unity.

Mr. Rusk asked about consultations with Japan. The Secretary said that the Japanese have done many of the things the Europeans have done. But they have acted out of despair, not on the basis of strategy. Tanaka is in a difficult situation. If the Japanese could get the oil they need, then there would be no problem. The Japanese are desperate.

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Mr. Rusk said that, over all, relations with Japan seemed on a better track. The Secretary agreed, saying that, if it were not for the oil crisis, relations with Japan would be better than they have ever been. We are saying as little as possible in a critical sense about Japan.

Mr. Vance asked about Germany.

The Secretary said there is no strong leadership in either party. The CDU is developing new leadership but hasn't found a new orientation as yet. The Socialists are split between the increasingly radical leftist group and the traditional group. Leber is the only reliable Atlanticist in the Socialist Party. Schmidt is also an Atlanticist, but he has been ill and he is maneuvering for political position which means that he must pay attention to the Left. Scheel is not too strong a personality, but basically he is all right. However, he has been overruled about the relationship with the U.S. Bahr has said publicly that he could envisage the abolition of NATO.

Mr. Rusk asked about Carstens. The Secretary said he was very good but that he does not have much influence. Brandt basically is weak. He makes big speeches but there is little follow-through. Mr. Rusk said that Kiep is a good person, and the Secretary said that he wanted to see him during his visit to Washington.

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Mr. McCloy said the Germans are very worried and they are a little ashamed of their attitude. He was nervous about Bahr and Wehner. The Secretary said that Wehner seems to have reverted to his attitude of the fifties. Mr. McCloy said that the acute problem in Germany was not Ostpolitik but Westpolitik, both for the SPD and the CDU.

Mr. McCloy said that Kiep recommended that what was needed was another statement by the Secretary reiterating attachment to the unity of Europe. We should say that we are steadfast but we should also stress the idea of partnership with the U.S. Otherwise the Alliance will not work. The Secretary said that he was planning to give a speech to the Pilgrim Society in which he would speak about partnership. However, the Allies don't want to accept this.

Mr. Stoessel said that they made a distinction between relationships in NATO, where partnership seemed acceptable, and relationships between the U.S. and the nine members of the Community, where partnership was apparently not acceptable.

Mr. Bundy thought this was understandable. He expressed the view that, if the Secretary was going to make a tough statement about relations with the Allies, he should make it in the U.S. and not in Europe.

Mr. Rusk said he was against a speech of recrimination. He thought there was value in private candor but he doubted

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the utility of going public.

There was some discussion of Heath's attitude. Mr. McCloy noted that, when he had seen Heath recently, there had seemed to be something wrong in Heath's views about the U.S. He seemed to be in a state of pique about something. The Secretary said he didn't know what was bothering him. He thought he might ask Heath about what he should say in his speech.

Mr. Bundy asked if the Administration as a whole and especially the President felt it was necessary to speak out publicly at this stage. After all, there is nothing particularly new about the present situation involving French opposition. However, he acknowledged that the U.K. factor is different and it is disturbing.

The Secretary said this was true. Also, the Germans are weaker than they have been. The President feels we should not pretend to the Europeans that everything is okay or act on the pretense that everything in the Alliance is all right.

There was some discussion emphasizing that there was a difference between what was said publicly at a speech to the Pilgrims and what was said privately.

Mr. Rusk commented that there were three nightmares about the Middle East which were important to the Europeans. The first was the possibility of a significant Soviet presence in

the area which would be more dangerous to Europe than the U.S. The second was the development of an imbalance of forces which would threaten the annihilation of Israel. This would bring about the possibility of use of nuclear weapons which the world could not face. The third was the prospect of no peace at all but a continuation of periodic fighting. This would involve the Arabs adopting a suicidal attitude on oil at the cost of Europe and Japan.

Mr. Rusk said there was the old problem of how to persuade the Israelis to make concessions. He felt that people in the Jewish community in the U.S. were misleading Israel about this matter. He could say that in the boondocks, away from Washington, there was no sentiment of all-out support of Israel. He wondered if it might indeed not be a good idea to let the Europeans go ahead under pressure from the Arabs and tell the Israelis they had to withdraw. He did not feel it was for us to contribute to the crescendo of public recrimination against the Atlantic Allies.

Mr. Rusk continued that he felt our European friends do not adequately recognize the growing mood of withdrawal from world affairs held by many in the U.S. If people knew about the lack of consultation, the formation of European unity against us and the problems of burdensharing, they would see that our troops were withdrawn from Europe very quickly.

The Europeans have a stake in all this and they should realize it.

The Secretary said that we can eliminate public recrimination at this time. He had felt it was a good idea in October to give the Europeans a shot across the bow in order to counter charges of a lack of consultation. The Pilgrim speech could either be cancelled or he could make it non-recriminatory in nature. The problem is how to turn the present trends around.

Mr. Dillon asked what the French really want. Of course they have always been difficult and their present stance is no surprise.

The Secretary said that the Europeans are conducting a domestic but not a foreign policy. De Gaulle had a foreign policy. Pompidou, however, has an economic policy but not a foreign policy. The Quai is very Gaullist and nasty. Perhaps they have no concept other than getting the U.S. out of Europe and working for European unity under our protection. It is strange, but Jobert always is very conciliatory when he sees the Secretary, but when he gets home he is mean and critical.

Mr. Dillon thought it would be important to talk with other people in France, such as Chaban-Delmas. They might be more moderate and might be influential in the future.

The Secretary repeated that he did not plan to engage in recrimination. However, the Europeans must understand what they are doing. They view the U.S. as being inexhaustably pro-Atlantic. But there are limits to our store of good will. The Europeans should consider the list of possible presidential candidates for the next election in the U.S. No one shows up as very pro-European. They should reflect on this and understand that the present Administration is more strongly Atlantic-minded than future Administrations are likely to be.

Mr. Rockefeller noted that the oil problem will have a seminal effect on all relations over a period of time. He also felt the financial implications were most important, particularly having in mind the large Arab balances in the West. They could use these for another war if they wanted it. Speaking of the trilateral grouping of the U.S., Europe, and Japan, he said the only hope seems to be to work together and not separately.

The Secretary said he would make this point at NATO. Until now, the Europeans have refused to get together themselves. This has been true even in the OECD energy committee. The Secretary felt that the energy problem is of long-range importance to all consumer countries and he would

tell the Europeans this. We are prepared to discuss with them a common policy covering research and other matters. Mr. Donaldson will be ready to carry on such consultations directly with the Europeans.

Mr. Rockefeller said he felt the monetary aspects of the oil crisis were almost more important than the oil itself.

The Secretary said we must avoid a situation in which the Europeans are milking us on everything important for them but are against us on everything else.

Mr. Rockefeller said that, in the long term, the Arab pressures are more important for the Europeans than they are for ourselves. The Secretary commented that actually we are in a better position with the Arabs than the Europeans. At least, the Arabs take us seriously. He thought we would settle our oil problem with the Arabs as soon as the Europeans did, if not before.

The Secretary said that the Europeans complain about being excluded from the Middle East negotiations. However, the Europeans are too one-sided to serve as mediator and they are too separated from us to have any influence on us. If the Europeans are excluded, this is something that they did to themselves.

Mr. McCloy hoped we would see the present crisis as an opportunity, not as a situation of despair. Joint action is essential to solve the Arab-Israeli situation and the oil situation. He recognized that we can't do much about helping Europe on oil, since we have no surplus.

The Secretary said we must do something for the Dutch.

Mr. McCloy hoped the Secretary would see Jerry Wagner of Shell. He is Dutch and has some good ideas. Mr. McCloy urged the Secretary to be firm but not recriminatory. He hoped he could be as forthcoming as possible. The Secretary agreed that we have an opportunity to bring the Europeans to recognize the abyss before which they stand. We need to put constructive things before them. He agreed this could best be done privately rather than publicly. At the same time, we must show clearly what the attitude of the U.S. is and that they can't get things from us for free. There must be reciprocity in the relationship. They must tell us what they are doing in the Middle East.

Mr. Rusk wondered if it was really possible for us to develop a common policy on Europe, given the domestic problem we have at home. Mr. Bundy said that, when the Secretary is ready, it should be possible to mobilize pressures in the U.S. to get Israel to implement the 1967 Resolution. The Jewish community knows this is coming. Mr. Vance and Mr. McCloy agreed.

With regard to the NATO meeting, the Secretary said he had tentatively decided, if the French make any accusations against us -- such as to say that we had exposed Europe to attack because of our policies toward the Soviet Union -- we would react with extreme sharpness. We would point out some of the consequences of the course they are now embarked on.

Mr. Vance questioned how sharply we should respond and Mr. Bundy said we should do so only if we are clearly and unmistakably criticized. In that event, we might rally support of others.

Mr. Rusk said the energy problem is in no sense limited to the Arab-Israeli conflict. With regard to the Alliance, any alliance of course tends to erode with success. He was inclined to drop the struggle about the word "partnership" and try to find something else. He doubted if it was all that important. He thought it would be desirable if we could propose -- perhaps in the OECD -- a joint R and D program concerning all forms of energy. We could make some suggestions about financing, perhaps on the UN pattern, and make an initial contribution ourselves. This sort of thing might bring people together and seize their imagination.

Mr. Bundy thought the timing for such an idea would not be good now. It might give the impression of ganging up on

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the Arabs.

The Secretary said that in principle he would approve a program of the type Dean Rusk had mentioned. He wondered what the French would say. They seem to be telling the others that all they needed to do was to kick the U.S. around and we would give them everything.

On the NATO meeting, Mr. Rusk thought it would be good for Luns to have a private session where the Secretary could make the last speech. Perhaps he could tease the others a bit, with a light touch, asking them where they thought they were going. This could avoid personal offense. Ridicule and irony are also weapons.

Mr. McCloy regretted that the President had stressed the concept of self-sufficiency so much in his energy speech. He had hoped that there could be some word of sympathy in the speech for the European problems and that we were disposed to help.

Mr. Rockefeller said that the idea of self-sufficiency for the U.S. by 1980 is quite unrealistic.

The Secretary said that the U.S. is prepared to work out a program in the spirit of the suggestion by Dean Rusk. We would be having a meeting later this week about it. However, to do something of this kind after a year of the type we have just had might seem to support the French

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argument that you can get everything you want from the U.S. by kicking the U.S. around.

Mr. Bundy thought a lot of the things mentioned were relatively marginal. He regretted that we had gotten into a drafting war on the declarations. The Secretary said we had not.

Mr. Dillon thought it would be a good idea for us to develop our own energy program for the future and give the Europeans an opportunity to join in if they wished to do so.

Mr. Rusk suggested it might be useful if someone in the Department could do a war game exercise which would show how all of this had looked from the European point of view. In that way, we might get a better fix on the mistakes we had made. The Secretary agreed and asked that Mr. Springsteen undertake such a study.

Mr. Vance said that, if the energy plan is really a good one, then it shouldn't matter whether the Europeans feel they are getting a free ride or not.

Mr. Bundy remarked that the Europeans have felt ever since 1962 that they are getting a free ride and that there is no threat. In general, they have underestimated the dangers of detente and overestimated the worth of detente.

Mr. McCloy and Mr. Dillon thought there actually was quite a bit of uneasiness in Europe about present trends. They hoped we would not take the initiative in attacking

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but would only counterattack.

The Secretary said the Europeans find it so astonishing that they can even get themselves together to make a reply that they ignore the substance. Then they send a note to the Japanese and make an approach to the Arabs but still don't focus on the substance and the meaning of what they are doing. Perhaps it's because they don't have a Foreign Office to tell them they should consult first.

Mr. Bundy wondered if we would really be hurt if the EC establishes contacts with the Japanese. The Secretary thought that this sort of thing was dangerous, particularly with the Japanese.

Mr. McCloy said that no European wants the annihilation of Israel. Also, the Arabs don't want the Soviets in the Middle East. In this situation, if we don't get any cooperation from the Europeans then this is the heart of the problem.

Mr. Rusk recalled that in 1948 the Europeans felt that they could go along with any solution in the Middle East agreeable to the Jews and the Arabs. He thought we should tell the Europeans to get busy and work on this policy in the Middle East.

Mr. Bundy said he didn't mind our going to DEFCON 3. If it hadn't been for the U.S. and Henry Kissinger, the

situation would have been worse. He felt we shouldn't get too disturbed about the French. They have always been like that.

Mr. Rush wondered if it would be useful for someone to write a good article in Foreign Affairs about Europe, but several others thought the publication schedule would not permit such an article to appear in time to be useful.

The Secretary noted that we were heading into a difficult period domestically with the Jewish community. There was general discussion about this, with several expressing the view that some influential leaders in the Jewish community were beginning to say that all-out support for Israel was not necessarily the best policy.

Mr. Rockefeller raised the problem of Senator Jackson's attitude of MFN for the Soviet Union. The Secretary said Jackson is playing a difficult game. He wants to get as tough a version as possible in the House, thus forcing us to negotiate with him in the Senate.

There was some discussion of attitudes in Israel toward a peace settlement. Both Mr. Rusk and Mr. Bundy thought there were doves in Israel in various places. Mr. Bundy mentioned Saphir. They will talk to unofficial American friends but not to our Ambassador. Mr. McCloy thought that Golda Meir and Dyan were in political trouble.

The Secretary said he hoped he could meet with the group again before going to NATO and the Middle East. It was tentatively agreed that there would be another meeting in Washington December 5.

The meeting terminated at 5:15 p.m.