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DEPARTMENT OF STATE

Memorandum of Conversation

by hand to [signature]

never file

DATE: March 3, 1974
TIME: 8 pm - 12:15
PLACE: Chancellor's Guest House Bonn, Germany

SUBJECT:

PARTICIPANTS:

GERMAN

Foreign Minister Walter Scheel
Dr. Paul Frank, State Secretary
Dr. Klaus Simon, Deputy Assistant Secretary, Foreign Office
Mr. Heinz Weber, Interpreter

US

The Secretary
Ambassador Martin Hillenbrand
Assistant Secretary Arthur Hayden

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S. 1.1002 TO CONTROL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
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DECEMBER 31, _____

(There was an initial discussion concerning the Chancellor's Guest House which had originally been built for Chancellor Erhard and several stories regarding other houses in Bonn and the visit of the Japanese Crown Prince.)

SCHEEL: (After discussing Pompidou's last visit and where he was housed) I do not believe that Pompidou is anti-American.

SECRETARY: Nor do I.

SCHEEL: I do not understand French policy at this time.

SECRETARY: This Administration was pro-French. It wasn't until we were forced to take a stand that we found ourselves in this position of being against France.

(Drafting Office and Officer)

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We have always attempted to avoid putting the FRG in a position where it appeared to have to make a choice. As Hartman will tell you, I was always criticized for going excessively far in the direction of working closely with the French. We prohibited any criticism of France. President Nixon spent more time trying to bring the French along and consult with them. Having to move in this direction is certainly not our preferred policy. Originally when we proposed these Declarations, we thought there would be no difficulty and the whole process would be finished in two months. When I was going to make my speech in London the only Foreign Minister I showed the speech to in advance was Jobert. He didn't say anything, except on the energy part, he urged me to include some reference to producers. So you can see that this is not an issue of principle for us.

SCHEEL:

There seems to be so much emotion behind these French feelings. Jobert admits that France is afraid the US is going to dominate Europe, especially since you have taken over US foreign policy. He thinks that what you want is for the US to envelop Europe in an overall structure which you will dominate. When I last talked to him, he said he had nothing against the earlier Kennedy concept of equal partnership but today Jobert and France can no longer see what Europe's role might be in such a structure. What we are dealing with here are complexes. I recognize that it is confusing and, indeed, illogical that the French are so mistrustful of

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Atlantic ties. My answer to them is that the way to deal with the US is to speed up the building of Europe, not to slow it down, but the French do not accept this point of view. It is illogical. The choice really is strengthening Europe or else stop being afraid of the consequences. My answer is that it is absolutely necessary to speed up the building of Europe.

FRANK:

The real question here is the latent mistrust that has existed between France and the US. There is almost a virulence against the US when the US becomes active. Jobert fears that the US is really opposing the unification of Europe. That is why he is reluctant to agree to informing or consulting with the US. He feels that this would give the US a direct say in what Europe can decide. He fears that the US will exercise pressure on Europe. This was his reaction to your April 23 speech and to your London speech which dealt with energy.

SECRETARY:

I think it would be a good idea for you to know some of the history here. Before my April 23 speech we talked to Pompidou several times -- indeed, four months before the speech. We stressed to him that our purpose was not to dominate Europe and that there was no inconsistency between Europe forming its own foreign policy identity and a close Atlantic relationship. We did not have to behave as adversaries. This is the last Administration with an emotional commitment to Atlantic ties. If we had wanted to be predominant, we wouldn't consult on

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such areas as the Middle East but instead we would allow our foreign policy to float. We could achieve domination because of our greater weight. I believe that the West is in real difficulty when it allows debates like this to go on with 50,000 tanks standing on its borders. The division in the West reminds me of the situation in Greece when the Greek City States were divided on so many issues and couldn't reach agreement. If the French had permitted the Declarations to go ahead the whole process would have been over by now. They should have known that there is no way to point to a clause in a Declaration and demand action on the basis of that clause. This confrontation which we now seem to have drives us apart and, indeed, makes our domination more clear. We prefer partnership. Both the President and myself want a strong Europe. We don't want to see our policies separate and a drift set in toward a relationship of adversaries. Forget about Watergate. The US wants Europe to share leadership. We don't want to have to make all of the decisions.

But it is intolerable to us that the only way Europe seems to be able to establish its identity is in opposition to the US. Take the approach that you made to Japan which appeared to start a competition with the US. Take the Middle East declaration of November 6. Both of these areas involve vital interests for the US. Take Jobert's statements in the Middle East where he seemed to be completely hostile to US policies. What does France or Europe get out of such

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activities? We must have consultations. We must be able to discuss issues. Then Europe can go its own way if it wishes. But a Europe built in opposition to the US is bound to weaken our defense relationships as well. We don't expect total agreement with us but we do expect a free exchange.

SCHEEL:

It is difficult for us to understand the French. For us in the middle of Europe there is no alternative to unification of Europe and our Atlantic ties. We need both. There cannot even be a priority between them. Our policy is first to move toward integration; second, to do this in partnership with the US. These two objectives enable us to pursue a policy of detente. Detente would be dangerous without this firm basis. This is why we will never understand what the French objective is.

SECRETARY:

If you disagree on a specific issue, such as MBFR, it is perfectly proper, because we have different interests, for us to have different views but we should not have a system where Europe is established organically on an anti-American basis.

SCHEEL:

Let's speak of our dialogue with the Arabs. For months I have pointed out to the French that it is proper for us to discuss this long-term policy problem with the US in order to avoid any exploitation by the Arabs of our differences and to keep our policy in phase with your peace efforts. We also do not wish to interfere with our agreements on

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dealing with the energy problem. Jobert said yesterday that he agreed and that he shared my view that these two matters should not be interfered with. He also agreed that I should discuss and explain to you and ask your advice--speaking as President of the EC Council. He said this was all right with him. But when I was in Washington, I wanted to get approval from my colleagues to have a thorough consultation with you at that time but then Jobert said that first we must reach agreement among the Nine. Europe is not a Europe of Ten. What we must do is to get advice from both sides and keep our policy in phase through constant contact so that we do not cause a bigger problem.

SECRETARY:

If matters are not discussed in secret, there is nothing incompatible in the concept of building Europe if we can work in partnership to coordinate what we are doing. We are helping to make peace in the area (Middle East) and you can certainly help build the economies but a Foreign Ministers' meeting with the Arabs would be a catastrophe. Let me tell you why. First, if you get all the Arabs together, you are bound to create a situation in which the radicals will dominate. Second, all of the problems will tend to be brought together and it will be impossible to make any progress toward a settlement. The radicals are bound to win and to have their views accepted and this will be a disaster for all of us. Europe will be forced to endorse the most extreme policy position. Also, there is no way to talk with the Arabs without the subject

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of oil arising. If you agree to extreme positions of the radical Arab states, this is bound to hamper peace efforts. When the two Arab Foreign Ministers came to Washington, I refused to see them together until I had first seen them separately.

If I had been asked what I thought, this is what I would have said on the substance of the problem. Our procedures do not permit us to express a view. If Europe proceeds in this way, we will have to protect our interests. We will make economic bilaterals too and a dangerous competition will set in.

SCHEEL:

Let me comment on what you have said. We think it is very important to have this dialogue with the Arabs but we will proceed very cautiously and start slowly. I will, as President of the Council, invite the Arabs to designate one or two spokesmen for our first contact. Then we will find out how we can organize our long-run cooperation.

SECRETARY:

Let me speak as a friend and not as Secretary of State. By asking the Arabs to designate a spokesman, you are forcing them to adopt a unified view. If you succeed, it will be most unfortunate because it is bound to be a radical view.

SCHEEL:

I agree, but what we are talking about here is a first contact looking toward a long-term cooperative relation. Jobert has agreed that we should exclude oil and peace efforts. I think that

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been removed. I would say that the Washington Energy Conference has had a good effect on Jobert.

SECRETARY: We have no objection to Europe getting into contact with the Arabs to develop social, economic and technical subjects but there is no way to discuss such subjects with the Arabs today without the discussion becoming political. And let's not forget what the French are saying in the Middle East as they talk against our policies. If Gromyko had said such things we would say that it was the end of detente. If Europe pursues this course we are in for a disastrous competition.

SCHEEL: When I disussed this with Jobert I made my view clear that we must have a means of discussing these matters to give you information and Jobert agreed. He said that it was appropriate for me to do this as President of the Council.

SECRETARY: Until July 1 the situation will be excellent.

SCHEEL: Washington has had a good effect on Jobert. It showed France the limits to which it could go. We should not exaggerate this situation. Europe will not support France. The Eight will separate from France when they go too far. I believe the compromise we made in Washington is useful on the energy matter.

SECRETARY: You were very constructive. We are not interested in breaking up the Common Market.

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SCHEEL: Washington has had a sound effect on the French and on Europe.

SECRETARY: We will fight any tendency for Europe to be established on an anti-American basis. We will respect the decisions of the Nine if we have an opportunity to state what our view is. We do not wish to be involved in every EC decision, but frankly, it is sometimes such a doctrinaire exercise talking to the Nine that is like dealing with the Soviet Union in the time of Vishynskiy. When the Dane came to see me in the fall, he handed me a paper which he was unable to discuss. He said he was sorry he had to go back and talk to his colleagues first.

SCHEEL: I haven't done that. That is why Jobert is so angry.

SECRETARY: The EC seems to be the equivalent of the Europe of the Fifties.

SCHEEL: No, I don't think so.

SECRETARY: All we ask is to be able to consult. We know what Jobert is saying in the Middle East because we hear it from the Arabs who give us a full report. I don't say that Europe should defend the US point of view.

SCHEEL: (He then told story about meeting between Jobert and King Faisal of Saudi Arabia, the entire point of which seemed to be that all they said was that they were very happy to see each other.)

SECRETARY: Jobert has accused us of trying to undermine his visit with the Saudis.

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This is not true. He thinks that it is somehow in the American long-term interest to have these high prices. Jobert has made agreements that would maintain the prices for at least three years which are already at a burdensome level. He has agreed to a price which was near \$11 and already last week the price was down below \$9.

FRANK:

Don't overrate the EC-Arab dialogue. Jalloud is here and he doesn't seem to be very interested. Algeria seems to know what it wants. Iran wants to invest. Our desire is to develop contacts below the level of the highest Government officials to increase European leverage.

SECRETARY:

We think it is going to be a political disaster to bring these people together. We should have had a chance to state our views.

SCHEEL:

We can have a dialogue and keep you informed. I will be the one who makes contact with the Arabs.

SECRETARY:

Who are you going to approach?

SCHEEL:

We will probably approach the four Ministers who came to Copenhagen--the Algerian, the man from the Emirate, the Tunisian and the Sudanese. That makes two producers and two non-producers from the area. We will approach them and move very slowly when they are ready to talk with us. We will ask them to designate someone or two or three to talk with us. We will say that we wish to discuss long-term cooperation and

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how it might be organized. Presumably we will reach some conclusion, perhaps to form mixed commissions of experts.

SECRETARY: Which experts?

SCHEEL: In agriculture, industry, health, etc., not oil, because we have agreed to coordinate our preparations in the Coordinating Group following the Washington Conference. During the second half of the year, after the expert commissions have met, we might talk about a higher level meeting. I will not stress a new Foreign Ministers' meeting because we don't want to get into the political questions.

SECRETARY: How are you going to decide this when only senior officials are coming from the British Government to the Council meeting?

SCHEEL: Alec sent me a message asking that the meeting be postponed but I replied that we should not postpone the meeting because it would be misleading, after all the times that we have postponed it already. In that case, the British decided to send senior officials. The Belgians and Italians also have government problems at the moment. Only the FRG seems to have a stable government but public opinion doesn't seem to recognize this.

SECRETARY: I don't understand the French approach. What they have done is very shortsighted. We have tried to give priority to France in our relations and avoid some of the mistakes I saw during my service in the Kennedy Administration. We saw

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Pompidou twice and I saw Jobert four times before we saw any German leaders. At that time, early in our Administration, Jobert accused me of trying to speed up European integration in order to embarrass France. I have difficulty understanding why the development of European unity within an Atlantic context is not an asset. To build Europe in opposition to the US will only cause a major quarrel.

FRANK:

It was the same thing with Bismarck. The French are always pursuing policies against their best interests.

SECRETARY:

I think you're right.

(SCHEEL:

I made a speech in Munich--Senators Nunn and Tower were present--and I also talked in Vienna on Atlantic problems. In both of these I spoke of the need of Europe to be in an Atlantic framework. These are not alternative policies but instead they are complementary. Eight members--not the Irish--are represented in NATO and, therefore, a strong Europe should strengthen NATO and Europe must be within NATO.

SECRETARY:

In the Sixties I advocated an independent European security system within NATO.

SCHEEL:

In Munich I talked about Europe having a common foreign policy and a common security policy. Eventually European union will probably mean a nuclear power because two Members are already nuclear powers. Not only tactical nuclear power but Europe will also

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have a deterrent capacity but that capacity should only be added to the US and not independent of it. One would like to be more autonomous but this is not possible. We should act as partners.

SECRETARY:

We have no problem with France or Europe or European unity. As we began talking about the Declarations, it seemed to raise suspicions on all sides. We tried to use the word "partnership" and the US was defeated on this. We don't get anything out of these Declarations. In fact, whatever success we might have had is probably already gone. This exercise was intended to show the meaning of partnership and we don't understand why Europe cannot afford to consult. Why is there this suspicion? Why does Europe feel it has to approach Japan independently? What can Europe offer Japan? We have an understanding with the Chinese that there should be no competition or favors from Japan. The Chinese agree with us that such a competition would be harmful. They agree that we would have nothing to gain and yet when we began to talk about the Declarations, Europe decided to approach Japan on its own.

SCHEEL:

The main worry here are the French. They feel that a trilateral declaration with Japan and the US would encompass the whole world and make clear US predominance. What this shows is how the French lack self-confidence. They can't feel psychologically equal and therefore they don't like a worldwide declaration but instead a bilateral.

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SECRETARY: France wants to have the concept of a big power but we have the real power. If we want to exercise our power we will float our foreign policy and conduct a French policy. This would bring great results to Washington but we do not wish it. We want the American people committed to a responsible policy which forces us to consult. We favored Japanese participation in this relationship. If Europe refuses and decides to go bilateral, then we will have a disastrous competition.

SCHEEL: I don't think we are going in that direction.

SECRETARY: The Nine approached Japan. We know this because the Japanese brought us the note. The last paragraph said in effect that it would be more interesting for Japan to deal with Europe alone - bilaterally.

FRANK: After the April 23 speech, Wehner said that this would result in a monster, in effect a rebirth of the Rome, Berlin, Tokyo axis.

SCHEEL: I think I must inform you that there is a mistrustful attitude on the part of my colleagues although some favor cooperation, perhaps based on a joint declaration.

SECRETARY: Why should we not discuss these things ahead of time?

SCHEEL: I have some weight in these matters because I can speak as Chairman.

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FRANK: The French do not believe the US wants a united Europe.

SECRETARY: That is probably the heart of the matter. When Jobert came to Washington it was clear that everyone was willing to find a compromise but he said "no". When I asked him why he was against the Conference, he said because "we cannot accept US leadership."

FRANK: It is also because it excludes an adequate role for Europe.

SECRETARY: What it proves is that France wants to make Europe, at least aloof and separate from the US, if not in outright opposition. This is totally inconsistent with a joint defense policy.

SCHEEL: I think that the Washington Conference has had a very good influence on the French.

SECRETARY: What proof do you have that this is the case? For four years we have been accused of concentrating on developing our bilateral relations with our adversaries--the Soviet Union and China. When we decided that there must be some new commitment with our Allies, it was not to achieve domination. If France wants to avoid domination, the way to do it is to accelerate unity. French policy seems to be to create mistrust. In Baghdad Jobert called upon the Arabs to insist on a global settlement and not to be satisfied with partial solutions. In Damascus he asked the Arabs "why the hand

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that holds the key turns it so slowly?" Jobert must know that this is a deliberate provocation. Sadat has told us that the only way to achieve progress is to proceed step by step: first to talk about disengagement on the Egyptian side; then to talk about disengagement on the Syrian side; then to move on to territorial problems and only after other problems have been settled, should we discuss the more difficult issues such as the Palestinians and Jerusalem. If Gromyko had said these things, we would certainly declare that the detente was over. In Mexico City, the Brazilian Foreign Minister told me that the French Ambassador had come to see him and had given him an aide memoire saying that the US-Soviet agreement on prevention of nuclear war was an effort by us to achieve condominium. He warned Brazil against cooperating with the US. What possible reason do the French have for turning Brazil against us? If France dominates Europe there will be problems. We have always consulted France. We don't want you, the Federal Republic, to have to choose between the Atlantic tie and Europe. We do not understand why France chooses this route. They can make no positive contribution. We have no objection to Europe playing a role in the Middle East or anywhere else. We want Europe to be self-reliant but we want to have a cooperative relationship with Europe. We believe this is possible in most cases. Sometimes we will differ on tactics but on the main issues of preventing war and avoiding a domination by the Soviet Union, we should not differ.

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SCHEEL: The European-Arab contact can be useful in preventing any re-emergence of Soviet influence.

SECRETARY: We don't object. But why can't we discuss what you intend to do? Is it because one Foreign Minister opposes that?

FRANK: Our idea has been that the West should not repeat the situation of 1956. Remember the Aswan decision. That was the beginning of the disaster and we want to prevent that now by creating an Arab interest and cooperation with Europe.

SECRETARY: I have always felt that the French were wrong in 1956. We should not show too much fear. We were the ones who kept Israel alive. This pulling apart of Europe and the US will affect defense relationships.

SCHEEL: We will prevent this from happening.

SECRETARY: The Saturday before the Energy Conference I had a long discussion with the President and for the first time we discussed seriously the possibility of unilateral US troop withdrawal. If Europe pursues this policy toward opposition--if Europe is going to move toward neutralism anyway--we may as well make our decisions unilaterally as well.

FRANK: The Germans have learned from hard experience that this is not the way to go.

SECRETARY: What quarrels have we with the French? None. We do not object to Jobert's

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trip but rather what he says when he speaks to people.

FRANK: You have to understand the difficulties with France. You have to understand their complexes.

SCHEEL: What France wants to do is force industrial expansion in order to surpass the Federal Republic. If I knew how to help them to do this, I would certainly tell them because that might help with their complexes but the conditions are not there and just look how they waste their resources with this gaseous diffusion plant, the Concorde, the SECAM television system, etc. These are all disasters and all the decisions are taken for political reasons. You have to understand the psychological background.

SECRETARY: The French make so many mistakes in their history. They were responsible for unifying Italy and Germany. At Versailles they Balkanized Eastern Europe.

SCHEEL: They are completely irrational but French foreign policy is there and we must live with it.

SECRETARY: If the only principle for organizing Europe is to express an anti-US policy, then we cannot accept this.

SCHEEL: I agree.

SECRETARY: The political declaration of the Nine is very aloof. It seems to say that Europe can only be made in opposition to the US. What is wrong with cooperation?

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FRANK: Sometimes our differences come from a lack of information. We ought to consult more. I was the one who made the statement about the Israeli ships. It was a mistake and we ought to be able to patch up mistakes.

SCHEEL: Europe ought to find its identity in cooperation with the US and not in confrontation. Europe can have its unity but it is inappropriate against the US.

SECRETARY: Europe keeps asking for an unconditional defense guarantee.

FRANK: There are some examples where we seem to settle some problems. A few years ago we were always getting into difficulty about agriculture but today that does not seem to be a problem except possibly for soybeans.

SECRETARY: I am utterly opposed to using military means to achieve economic concessions. The Democrats are so opposed to the President that they will say almost anything to be critical. I can tell you that, although they now seem to be quiet on some of these issues, after 1976 there will be great pressure for troop withdrawals. They will be pursuing detente by all means and not keep up our defenses.

FRANK: It is very risky to say that.

SECRETARY: But we can counteract these trends if we move now.

SCHEEL: We must establish a basis for our long-term relations.

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SECRETARY: In the Declaration we can't use the word "partnership". What will this mean to people when they read it? I am getting to the point now where I don't care about the declarations.

SCHEEL: We have a new draft now which we will be able to show you. It has been prepared with the active participation of the French. I fought for a long time with Jobert about the word "partnership" and that was the biggest problem we had. I discussed it with him during the Washington Energy Conference.

When we give you the new draft there is one problem we will have to tell you about. There is a paragraph on energy which the French do not wish to publish until after the General Assembly meeting on the Algerian Resolution because they feel that it will look like an endorsement of the Washington Energy Conference approach. They accepted our wording only after we promised not to publish the text until after the General Assembly meeting in April--April 9 I believe.

On the 12th or 13th of March the Political Directors will meet and around that same time also there will be the meeting in NATO to discuss the NATO Declaration. Jobert was reserved about discussing these things in NATO so we will meet here first and then have the NATO meeting later in Brussels. We can agree on the energy program after April 9.

(We then moved to the salon and continued the conversation there.)

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SCHEEL: Is the President ready to accept an invitation near the NATO anniversary to come to Europe? It would be appropriate for the Europeans to invite the President. My question is would he accept if the Declarations are agreed by that time?

SECRETARY: Some time between April 23 and April 27 would be best.

SCHEEL: After the 15th would be all right.

FRANK: I think the 25th is a good date.

SCHEEL: Does it matter if Pompidou comes?

SECRETARY: We don't believe it would be appropriate to have the meeting in Paris. We won't agree to that.

SCHEEL: We had earlier found some merit in that idea.

SECRETARY: We had thought it was a good idea but we don't now.

SCHEEL: Brandt was thinking about that but he doesn't any longer insist.

SECRETARY: Where should we have it then? The President likes the idea of London since that is where NATO originated. He wants to go to London but not to every other capital.

FRANK: What about Brussels?

SECRETARY: We went through London on the way to the Middle East and mentioned this to the British. Quite frankly, now I guess we have to wait for a new government.

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Heath does not look like he can get the necessary support. The Liberals are closer to his position, at least on Europe. We have close contact with them. If Heath gets in, the Liberals may not join the government but they will support it as long as he keeps them informed. The Conservatives need the support of the independents to get to the 318. This will make them dependent on the radicals for support. It will be a very difficult position.

SCHEEL:

We have had situations here with a very small majority but we have the system of a constructive vote of "No Confidence". Britain also has had experience in governing with a small margin.

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Is it feasible to have the NATO anniversary in two places--London and Brussels? Paris would not be a good place to celebrate the 25th anniversary. We could do the EC-9 Declaration in Brussels and then we could have the NATO Declaration in London.

SECRETARY:

Okay.

SCHEEL:

If we could invite the President, then the Chancellor could send the invitation. He could be the partner of the President during the ceremony. He would still be the Head of Government in the chair.

SECRETARY:

We would prefer if all Heads of Government are there but if the Chancellor

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is present that will be enough for the Nine. But in the case of NATO all Heads of Government should be there.

- SCHEEL: I discussed this with Jobert. The French don't seem to like the idea but we must get moving ahead if we are going to organize this. I will have further discussions with Jobert and my colleagues.
- SECRETARY: If we can do this, it might remove some of the bad taste.
- SCHEEL: Jobert didn't really object but he could not assure me that Pompidou would come. There may be other reasons--personal reasons why he cannot come--his health perhaps. I will try to get this moving tomorrow although the British will not be there.
- SECRETARY: April 23 to 27 are blocked.
- SCHEEL: As Chairman I will explore this matter.
- SECRETARY: There is no country that I have made a bigger effort to please. What else could be done? We have tried to meet them psychologically. We invited him to come to America four times. In Washington I called on him at the French Embassy.
- FRANK: This is due to the French domestic situation and the struggle for leadership in the Gaullist Party.
- SCHEEL: On our date for the meetings next week, we believe that we ought to have the NATO meeting on the 13th and then EC

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meetings can take place on the 14th and 15th. We propose that paragraph 13 be kept confidential for the moment and not be inserted in the text of the declaration until April 13 after the UN meeting has taken place. You'll note that in the declaration we have tried to break away from the formality and legalism of the previous document. This feeling (non-legalism) is spreading to our other work too, because we have managed to get the French agreement to have our political meeting in Brussels. We think that the French have softened their views somewhat and are now beginning to act in a more cooperative spirit.

SECRETARY:

We have not begun to see that change. I have imposed for several years on the US bureaucracy a rule that we would not be in any way critical of the French but the situation now is impossible. There is a degree of suspicion which I have not seen before in our relations with France.

SCHEEL:

Jobert is much more cooperative. He is willing to have a dialogue in the EC on the whole energy problem and even to allow some EC Commission participation in the technical work on the energy situation. The EC will participate in the working groups under the Coordinating Group. We think that the trend is very good and we hope that it will get better in the future. We think that it will be possible to achieve a cooperative effort in the energy field. Ockrent will be chairman of the next meeting in Brussels and we will be able to have

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some of the work done in the OECD. I foresee that the follow-up to the Energy Conference in Washington will achieve positive results.

SECRETARY:

This is a practical problem not a political problem. We are now at a turning point in the history of the Western world. The Western world is getting smaller in the face of Soviet Union, China and the LDC's. And yet the behavior of the West is not unlike the behavior that I imagine existed among the Greek city states. Can you imagine whether Thebes, or Athens or Corinth should be the seat of the conference. Our policy is not one to achieve dominance over a United Europe. We have real tests ahead. These are not sentimental problems that we face. If the Indians had any oil production and would be able to have the revenues that the Arabs have, I can imagine that there would be much more expansionism in the Indian Ocean. Why should we in the West be consuming ourselves with these quarrels? We ought to be able to sit down and discuss our problems and work out an understanding. No one will understand 15 years from now why we were not able to work out solutions to our problems. What should the design be for the future? What is it that we want to build in 10 or 15 years? In perspective what we want to do is to try and keep the West together. It is not a question of US domination. Most of the governments in the West can hardly look ahead six months let alone 10 or 15 years.

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FRANK: We are not trying to pursue a strategy of isolation from the United States. We want to be cooperative. We want to see the United States successful in its negotiations to achieve peace in the Middle East. Our choices in terms of the oil situation are either that we are going to be able to get oil or we will have to get the oil. There is no alternative.

SECRETARY: Our concept is to put American power behind Europe. We want to work in the closest contact with Europe. If we were to go the bilateral route, we would be able to succeed. In the case of Faisal only we can give him the things he needs. In competition with Europe, the United States would not have to worry about whether or not it could be the dominant partner.

SCHEEL: There is too much neurotic thinking in Europe about dependency. People think that they are completely dependent on the Arabs.

FRANK: Yet for the next several years we probably are dependent but after six years the price will begin to come down when other sources of energy begin to come on stream. It is important to give the Arabs a feeling of self-confidence.

SCHEEL: It's just as important for Europe to have a feeling of self-confidence, but we don't want our policy with respect to the Arabs to be at the expense of Israel.

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SECRETARY:

The difference between the way the Arabs treat you and treat me is that they are always kissing me. You asked about the embargo. The thing that is keeping the embargo on is the fact that if they remove the embargo, oil prices will go down. In other words, they can make as much money at a lower production rate than if they remove the embargo and let the production go up. The price is likely to stay below \$7 after the embargo is lifted.

SCHEEL:

On another point--Jobert left a proposal with us concerning European energy policy. Part of this, we can probably accept because we don't consider it will affect the results of the Washington Energy Conference. It calls for an intensification of cooperation among the Nine on energy policy matters, and we think that in this area France and the FRG can cooperate. There can be a more European element in our energy policy. There is a whole complex of work here that we should be doing and so far we haven't had the opportunity to do it. At our meeting in Copenhagen, we agreed that there should be a European energy policy. Jobert has now presented a memo on this. The trouble is that what the French seem to want is freedom to pursue their own policy and have no limits on their actions. We will find some way to fit this into the follow-up to the Washington Conference.

SECRETARY:

As far as I can see, the French strategy seems to be to use the EC as way of making a differentiation between Europe

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and the United States. They want to use the multilateral organizations such as NATO to get a security commitment from us. They get a commitment out of us to consult on defense matters, SALT, MBFR, etc. In the case of the OECD, they want our technology. Meanwhile, they withdraw all the other issues into the EC where there is no possibility for the United States to consult about them.

- SCHEEL: That won't work. The idea that they can get multilateral benefits for France without paying the price is not workable.
- SECRETARY: Political benefits should not come from confrontations. They should come instead from cooperative efforts together; otherwise, the French should get nothing.
- FRANK: The French have promised five nuclear reactors to Iran and I doubt very much whether they actually can produce on that commitment.
- SECRETARY: To get into competition will kill them. What we want is a strong, self-reliant Europe. That is what is in our interest.
- SCHEEL: Can we talk about SALT? One of the problems is what your representative said in NATO. We hope you will resist Soviet pressure to discuss FBS.
- SECRETARY: I think you are going to be protected by our Joint Chiefs of Staff. It is very difficult for me to see that we are going to make much progress on SALT.

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Therefore, I do not think we are going to reach the point where FBS is going to become a real problem. The initial position that we have taken and the one that is now being discussed does not involve FBS.

SCHEEL: It is important for Europe because this matter involves the NATO members very much.

SECRETARY: You must keep in mind that there are two levels on which we discuss SALT. We discuss the technical problems in Geneva and I discuss the conceptual problems with Dobrynin in Washington. On neither level do I believe we will get to FBS. We should meet more frequently and I will tell you what is going on. For the moment, nothing is going on in this area. The Soviets seem baffled about what to do. They are particularly concerned about how to handle MIRV. I just don't see any conceivable proposal that is going to be able to handle this problem.

SCHEEL: Don't you think it is going to come up with the President in Moscow?

SECRETARY: I plan to go to Moscow at the end of March. I can't say that there will be any progress at that time but I am certain that we will not be getting around to the FBS problem. We will be going in the direction of dealing only with the MIRV problem in June. I don't see any way that that will relate to FBS.

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If this problem should come up in any channel though I will make sure that we discuss it with you. At the moment there is no proposal. If the Soviets press us in Geneva, I don't think that that will be serious. If Brezhnev says something to the President, then we will have to take it seriously. But we have not yet seen any proposal to this effect.

MBFR

- SCHEEL: It looks as if the Soviets and the GDR want to concentrate on the control of the Federal forces in the second phase. First they will discuss US and Soviet forces in the first phase and in the second phase they will move to implementation in the control of the level of German forces.
- SECRETARY: We have very good cooperation on this matter. Our Defense Secretaries have discussed it and it is essential that we keep in close contact with Leber. What we should be aiming for is a common ceiling but that common ceiling should not apply only to Federal forces but to other forces as well. I didn't want to include Hungary because I felt that was the only way to make such a common ceiling possible.
- SCHEEL: We are worried about the kind of pressure that you will be under in Moscow. We don't want any arrangements made which will affect Europe, under pressure to reach agreement in other areas.
- FRANK: It seems to us that what the Soviets are trying to do in Vienna is to prejudice

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what a possible European option might be. They have the idea of creating a kind of emergency brake which would prevent the FRG from doing certain things and therefore would give the FRG a special status which would be discriminatory vis-a-vis its European partners.

SECRETARY:

As I see it in the second phase there will be some FRG reductions but they ought to be reductions along with other forces. Is that disputed?

FRANK:

In the talks in Vienna the Soviets say that the Americans are saying different things.

SECRETARY:

What Americans?

SCHEEL:

This is just what the Soviets are saying. I think we have a common position and we have made it quite clear. Our problem is the long-run development of European defense policy cooperation in the security field. The Soviets seem to have a great interest in this problem. They don't want a strong Europe that would be an ally of the United States. The Soviets want to subject the Bundeswehr to a very special status. We must not allow the Soviets to interfere or control the FRG forces.

SECRETARY:

First, I think that we should agree that our goal is a common ceiling. Second, the first phase of MBFR should deal with US and Soviet forces. Third, the second phase should deal with indigenous forces as well and

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these should not be limited to the FRG but should include on the Soviet side Polish and Czech forces as well and, on the Western side, British and Benelux forces. There should be no special control on the Bundeswehr.

FRANK:

We should avoid an agreement made in terms of fixed national levels. This must be an agreement between the two alliances -- not between individual countries.

SCHEEL:

On the Berlin problem I would like very much to thank you for what you said to Gromyko. We believe that the Federal Environmental Office is completely in line with the Quadripartite Agreement.

We are sure that the GDR is trying to make trouble on this. We do not believe that this is a violation of the Quadripartite Agreement, nor that it would impair any official obligations that we have. There certainly is no right on the part of the GDR to interfere with access to Berlin.

FRANK:

The Soviet have handed the West a note and we think that a proper compromise would be a freezing of the situation as it is, but the question is when and for how long.

SECRETARY:

Not a formal freezing, but in practice. The Four Powers, that is, the Three Powers and the FRG would agree that certain things would not go forward. This could be discussed in the Bonn Group. We should avoid dealing with this question on a bilateral basis

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with the Soviet Union and there should not be consultations on what is appropriate in West Berlin with the Soviets. Do you think it would be possible to have a freeze de facto after the Federal Environmental Office is established?

FRANK:

If the Western Powers tell us that legally what we are suggesting is conceivable, but from a political point of view it is not opportune, then we would agree not to do ahead with the particular project. It is important that we consult about these things in due time.

SECRETARY:

I think that sounds manageable, but we shouldn't talk about it too much.

SCHEEL:

The FRG will agree to prior consultation. We think that this can be dealt with in the sense of the President's letter.

SECRETARY:

I don't think it's desirable to tell the Soviets this because then they may ask for more.

SCHEEL:

No, there is no interest here though in going ahead. The Soviets seem to be full of mistrust about how the Quadripartite is going to be implemented. It is not our intention to interpret the Quadripartite Agreement extensively. There must be ties between the Federal Republic and Berlin, but we do not believe that the Federal Environmental Office is in any way a violation of the Agreement.

SECRETARY:

That's what we said to Gromyko.

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SCHEEL: It is not our intention to proceed with things that are going to cause us further difficulty.

SECRETARY: What has Bahr been saying in Moscow?

SCHEEL: He will speak along the same lines.

SECRETARY: Then he would already have told the Soviets.

SCHEEL: He is not discussing the freezing.

SECRETARY: As long as Gromyko thinks that he can get more, he will try. If you say you are willing to freeze the situation as it is, he will say then take out the Federal Environmental Office as well. It is better if we say that we think we can stop you where you are and you then reluctantly agree. I think this is a better way to proceed tactically. Is Bahr going to discuss all of this in Moscow?

SCHEEL: No, he will not go that far. And I think you are right, you should persuade us.

SECRETARY: I think that's the best tactic.

FRANK: Gromyko is very interested in this question. He was the one that carried the Quadripartite Agreement through the Politburo.

SCHEEL: We have this long dispute with the Soviet Union about the difference between "Bindung" and "Verbindung" to describe the difference in the way we interpreted the language in the Quadripartite Agreement. "Bindung" means

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"ties"; "Verbindung" means "relations". And the Soviets interpret the word to mean relations.

SECRETARY: If not settled,

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HILLENERAND: Are we talking about freezing for all time, or just for a fixed time?

FRANK: This is not really a freeze.

SECRETARY: One, there will be no more action except after consultation. Two, even though proposals may not be illegal, they will be considered to be politically inopportune and the FRG will agree to support the Allies' judgment in this matter and agree that further proposals are not advisable at this time.

SCHEEL: We will put this in the reply to the President's letter and state what we have agreed to.

SECRETARY: I think that is a good device.

FRANK: This will be easier once the Federal Environmental Office is in. It would be very bad to withdraw that.

SCHEEL: We also have a problem with the Praesidium. The British are very concerned about this. Frau Renger wants to have a meeting of the Praesidium in Berlin. This is not a Bundestag committee. It would be too restricted if you could say that this session could not be held in Berlin. The Soviets are even more legalistic

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than the French. They have the same motives of mistrust. This is a decision by the President of the Federal Parliament, and the Federal Government cannot commit the Parliament. The opposition would take this up and make a big fuss about it; therefore, the issue is much more difficult. We also have the question of the Constitutional Court case which has interpreted the Treaty on Basic Relations to be in conformity with the Constitution. Thus, we have a Court interpretation of a judgment which is really political and we now have a bad argument over that. It seems strange that the Constitutional Court could interpret an article in the Constitution that has never been in effect, and yet the Court is not interpreting it.

SECRETARY: The meeting of the Praesidium will cause problems.

SCHEEL: We can't instruct Frau Renger.

Naval Power

FRANK: What do you think about the growing Soviet naval power?

SECRETARY: If I were to listen to the Chief of Naval Operations, I would think that the Soviet power was so great that the United States would always lose. It's difficult for me to believe that the Soviet Union is all that powerful, or that U.S. official statements on the subject are really that close to the mark. The Soviet submarine fleet will have a total megatonnage about one-fifth of ours when they finish their building program, and they are making

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a massive effort. Our huge ships will certainly give us a bigger power than they have. It's really a question of our long-term ability to carry on war versus their perhaps greater limited engagement capability. They probably have capability to harass sea lanes. Their aircraft carriers are practically back at the stage we were in in 1945. They are certainly useless except perhaps in the Indian Ocean.

Middle East

SECRETARY:

As far as the Middle East is concerned, the most complicated question now is how we deal with the Syrian problem. This is quite different from the situation we had in Egypt. Our tactic all along has been to try somehow to approach the problem piece by piece. First, we got the Egyptians to talk about disengagement, and now hopefully we may be able to get the Syrians to talk disengagement; then we can go back once again to the Egyptians and talk about the territorial settlement. My thought was that we wanted to establish a forum where the Israelis and Syrians could discuss the problem. At first we thought perhaps we could get them to join in a joint Egyptian-Israeli talk; then we finally hit on the idea of both sides coming to Washington. In any other forum -- Geneva, for example--the Russians would be involved.

We are pleased that the two sides have agreed to the current set-up. The Syrians are very difficult indeed; they seem to think like the French. They don't accept the existence of

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Israel at all. Their real difficulty is that if they accept a line on their territory, they are, in effect, accepting as fact that Israel has conquered a part of their territory. But it's even worse than that since they consider all of Israel as part of the territory occupied by the enemy. In a way, the Syrians prefer to have the line where it is, near Damascus, because if they agree to another line that is short of the '67 border, it appears as though they are acquiescing in Israeli conquest. We have made some procedural progress, but we haven't really gotten into the substance of the negotiations as yet. I have really had more than my share this year in dealing with North Vietnamese, Syrians and Israelis.

When I first went over there, I put a proposal forward that had been given to me by the Israelis and left it quite vague because I knew it was going to be rejected. They made a counterproposal which was also rejected by the Israelis. But we seem to be making some small progress. We are not sure what the Soviet role is going to be. They seem very restless, and I don't think that they are going to be helpful. They are in something of a dilemma though because their clients will lose if there is a war, but they certainly are not eager to have the United States succeed. It is really incredible that after 20 years of presence in this area with all the money which they have poured in, they don't seem to have any friends or

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sympathy. The Egyptians actively dislike them, and even the Syrians have little respect for them.

On the Israeli situation, it seems that Golda Meir cannot resign until there is another government to take her place. And neither can Dayan resign. That's in the Constitution. They tell me that it took eight months once to form a new government.

SCHEEL: That sounds like the best solution.

SECRETARY: Dayan is the only one who can probably negotiate with the Syrians. The Israeli Government is very peculiar. Every decision must go to the Cabinet. When we were negotiating with the Egyptians, they actually took to the Cabinet a decision to change 36 howitzers out of a thousand. We argued about whether there ought to be a hundred tanks or 120 tanks, and it took a Cabinet meeting each time to decide it. The Israelis just don't seem to have any strategic ideas. They have a massive problem and only we are the ones who support them.

The Syrian issue is going to be very difficult, and the Syrians themselves are the worst of the lot in terms of people that have to be dealt with. When I arrived in Damascus, the radio announced that I had flown in from occupied territory, meaning Israel. The Syrians are giving some signs, however, of making a break with some of their more radical plans. If the Syrians move ahead, then we may get some progress. If I had to guess, I

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would say that we've got perhaps a 60 per cent chance. Then we can go back to Egypt to see if we can make some progress on arranging a line somewhere forward of the '67 frontier.

One thing which has been achieved is that there has been a genuine breakthrough in these talks. For the first time, you have had a withdrawal short of the '67 frontiers; for the first time, you have had participation in Geneva of Egypt, Jordan, and maybe Syria later, and Israel. Assad is not a man who knows much about nuance. I talked and talked to him about all the details of a possible agreement to get him to come to Geneva. Then, at the very end of it, he said he agreed with everything except one thing and that was that he wasn't coming. Everything had gone along splendidly one evening when we were discussing these agreements, when suddenly after three hours, Assad suddenly stripped a gear. He is a very difficult man to deal with.

Sadat has been very helpful. In fact, he was the one who persuaded me to wait a day and go to Luxor while he went to Syria to try to persuade Assad to be helpful. As I was riding in from the airport, I mentioned to the Foreign Minister of Syria that we were passing over the road which 24 hours before Sadat had taken to the airport. Yes, he said, that's the same route that pimp took to the airport. Any time you want to get all these people in the same room, you are certainly

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welcome to them. The main thing, I think, that has to be done is that you have to leave space for them to maneuver around in.

SCHEEL: We have Jallud here from Libya for the first time since 1972. He has been very friendly. No declaration of war. In fact, it seems to be a new experience.

SECRETARY: Europe can't ask the Arabs what they want. They really don't know. You have to tell them what you want and particularly tell them what you can't do.

FRANK: We have had for two years a draft agreement with the Libyans and absolutely nothing happened.

SECRETARY: On the Palestinian front, it seems clear to us that the Palestinian groups are not very anxious to accept Hussein as their spokesman.

SCHEEL: Yes, I saw that at the Lahore meeting, several countries had come out in favor of Arafat.

SECRETARY: We have a contradiction here. In order to have the Geneva Conference go ahead, we must include Jordan, Syria, and Israel. But who will be the authorized representative of the Palestinians? Hopefully not the PLO. Unless Hussein negotiates, the Israelis won't. It's certainly premature for anybody to be thinking about recognizing any Palestinian group. In the interest of peace, I hope all the European countries will hold off making any overture to the Palestinians.

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FRANK: What about Cuba?

SECRETARY: There was no talk of Cuba in Mexico City, Brazil, Ecuador and Columbia are against Cuba. The Caribbean countries are for Cuba but we are willing to discuss it in the corridor, but we refused to do so. Argentina is in favor of moving ahead, but there was no great pressure. As far as we are concerned, there seems to be great personal hostility between Castro and the President, but it doesn't seem to be a very big issue in Latin America.

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PRESS

SECRETARY: How should we handle the press?

SCHEEL: I think I can best leave that to you after you've seen the Chancellor. I think we can say something along the lines that we covered all the issues of mutual interest--relations between Europe and the United States, between the FRG and the United States. You gave me a good report on the Middle East and we are following your negotiations there with interest and we sent our best wishes for your success. The talks were positive and constructive.

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