

DOCUMENT WITHDRAWAL RECORD [NIXON PROJECT]

DOCUMENT NUMBER	DOCUMENT TYPE	SUBJECT/TITLE OR CORRESPONDENTS	DATE	RESTRICTION
1	cable	Brussels to the White House	3/21/74	B
2	memo	HAK to Rumsfeld	9/1/73	B
3	memcon	The President, HAK, NATO Ambassadors	6/30/73	B
4	memcon	HAK, Eagleburger, Luns	6/9/73	B

FILE GROUP TITLE

HAK

BOX NUMBER

54

FOLDER TITLE

(5)

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SECRET

July 27, 1973 11:30 a.m.

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Henry A. Kissinger
Emile van Lennep, Secretary General of OECD
Robert D. Hormats

HAK: I am pleased to have the opportunity to see you again. What brings you to Washington?

Van Lennep: I am actually here for the Committee of Twenty meeting.

HAK: Did you just come from Europe?

Van Lennep: No, I have been in Japan for the last week. I left yesterday.

HAK: How long is it from Europe to Japan?

Van Lennep: It is about twenty hours. Actually, I was originally booked on the flight that was hijacked, but I postponed my flight one day--quite fortunately as it turned out.

HAK: I may go to Japan from Europe in the fall or from Europe to Japan, but you say it is nineteen or twenty hours! Where do you stop--in India?

Van Lennep: No, the quickest way is through Moscow.

HAK: My Chinese friends would really let me have it if I stopped in Moscow.

Van Lennep: It is not a very pleasant trip. It is very difficult to sleep.

HAK: It is hard for me to recall. I haven't been on a commercial plane for a long time so I have had no experience with this. I use a military plane because they think a commercial flight might be hijacked.

Van Lennep: I understand the problem--quite well now.

HAK: What is your view of European-US relations at the moment?

Van Lennep: That is a very broad question.

HAK: Well, I am willing to discuss whatever you wish. What's on your mind?

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Van Lennep: I would very much like to hear your views on the relationship between economic, political and defense cooperation and how they relate to the "Year of Europe". I am interested to see more clearly what the US view is on these matters. At the OECD I have stressed the need for taking a political view of economic problems and believe that the comprehensive approach you have outlined is quite valid.

HAK: We are getting restless at the European's behavior toward our initiative. Let me be very frank with you on this. We thought we were making a proposal almost unilaterally in Europe's interest. Now we are accused of hegemony, blackmailing Europe in the defense field, and other similar motives. European behavior is now reaching the point where it is based on such mistaken assumptions about American motives that things are tending to get out of hand. It is my feeling that unless we can get a hold on these issues things could lead to catastrophe. We are getting bored with all these accusations and technical discussions. (At this point Dr. Kissinger left the room to take a telephone call.)

HAK: As I was saying, the whole debate is being put on a level totally beside the point. We are getting frustrated. To be very candid, the President and I are committed strongly to the Atlantic relationship. The President is the one man on the whole American political scene most committed to that relationship. We wanted to create an enduring relationship with Europe which would survive his presidency. We wanted to create a way of dealing with the various issues we have with Europe. If we wanted to have an economic confrontation with Europe, all we have to do is let Shultz and Flanigan conduct an economic negotiation. That would certainly lead to confrontation. We don't need a "Year of Europe" for that. If we wanted to remove our troops, all we would have to do is let the Congress do that for us. We don't need a "Year of Europe" for that. We want a symbolic success so that we can resist pressures for confrontation. That is the purpose of the "Year of Europe". Instead we are accused of blackmailing Western Europe by dealing with the USSR, of attempting to exert hegemony over Europe and attempting to provoke a financial confrontation. On the financial aspect let me add that I think in this case that Europe is more right than we are.

But instead of getting European cooperation on this we have gotten no substantive response from Europe since my speech in April. Every reporter who goes to European chancellery is given a list of European complaints against us. All of our domestic opponents want to pursue an isolationist policy and this gives them all the ammunition they need to do so.

We are tempted now to drop the whole thing and let Europe see where they are. I am just not going to explain this to Europeans any more. We wanted

a set of political goals stated so that that could guide economic and security considerations. This would have enabled us to take a generous and far-sighted approach. It would have provided a restraint which would diminish the possibility for confrontation. You will recall that with the Connally problem in 1971 the President and I intervened, giving primary importance to our foreign policy relationships. That could have led to disaster if we had not done so.

These are my frank views. I hope that in relating this to others you will not use the same hard language but I certainly have no objection to your conveying the tone of my remarks.

Van Lennep: No, I come personally, not in an institutional capacity. May I make a few comments as I see the issue.

I believe we should talk substantively and not procedurally. We should not talk about the OECD, NATO or EC but on ways of reaching major goals.

As I see it, there are two aspects of our relationship between the US and Europe. First, we all share fully a belief in market economies as opposed to centrally planned economies. We all believe that a market economy is the best way of organizing ourselves to meet domestic needs. We work together on procedures to strengthen market economies and to guide them to reach fundamental objectives. We cooperate to avoid circumstances in which the rich get richer and the poor get poorer. And, we work together to better serve the basic national interests common to all market economies and with which the governments of those countries have to deal.

We all know that sectoral influences and institutions if left to themselves would pursue their own objectives which are not necessarily the same as overall objectives. If left to the monetary people alone, monetary problems would result in a very serious economic and political situation. I firmly believe that the crisis in 1971, in addition to leading to a political confrontation would have had serious economic results. Your intervention in that prevented both a political and an economic disaster. We must see to it that sectoral problems are put under an overall political framework. A monetary crisis if left only to monetary people will result in an overall crisis in relationships.

There is thus a need for the US and Europe to reaffirm the basic necessity to defend our market economies. We need an overall political setting so that individual negotiations lead to overall objectives and so that their conduct can conform to the goals in our overall relationship. These goals can be set based on agreement among all market economies.

HAK: It is hard for us to be accused by Europe, which contributes only between three and four percent of its GNP to its defense, and to whose defense we contribute so much that we are betraying them on defense matters.

Van Lennep: There is, as you say, a need to link political and military considerations with these economic objectives--sharing of the defense burden. I believe we should draw up principles of market economies which can be signed by all market economies.

At the same time we should build up a declaration of security cooperation which includes the need to redefine the necessity for detente and defense as well as to keep market economies moving in the right direction. We need three groups:

-- A re-definition of the overall political approach for guiding market economies. This should reaffirm the need for the US and Europe to pursue multilateral cooperation.

-- At the same time NATO countries should reaffirm the need for military cooperation in an era of detente. This is politically difficult to sell in an era of detente but quite necessary.

-- At the same time the US and the EC can make a bilateral reaffirmation of the necessity and means of cooperating in the future.

I do not believe we should limit the first category of principles only to the EC. It is important to bring in Japan in a way that it is not embarrassed by being associated with NATO-oriented aspects of the declaration but at the same time in such a way that inclusion does not necessitate a watering down of the NATO aspects. One way of handling this which fits in to what I mentioned earlier is to have one section on economic and overall relations among market countries and a separate security oriented section on NATO.

HAK: Can you write a declaration on economic issues?

Van Lennep: Certainly.

HAK: When can you do it? Can you get it done in August?

Van Lennep: I was planning to have a vacation in August.

HAK: Where are you going?

Van Lennep: I am just staying at home with my family.

HAK: Well, I would rather have a good declaration in September than a hurriedly done declaration in August. I am not very competent in technical economic issues.

Van Lennep: It will be a politically oriented document. It would help me to know what plans you have for dealing with this in the future.

HAK: I have agreed to giving a talk in Brussels some time between September 10 and September 12. I may come over for that or I may cancel the talk. At that time I was thinking of going around to other capitals. I probably won't do that now. We have decided not to take another initiative.

Van Lennep: I would certainly be glad to do this.

HAK: That would be excellent. We have to move on this fairly promptly.

You read about the Mansfield amendment pressures. We can probably get through this session of Congress without cuts, but we won't be able to get through the next. And the international situation will change. We will have MBFR, the European Security Conference and another trip by the President to the Soviet Union. This will bring about a situation in which detente policies will so overwhelm relations with Europe that it will be difficult to get things going again. Then we will have to wait quite a while until we can pick things up.

Van Lennep: I am concerned that in dealing with Europe things will explode if we do not reach a solution soon.

HAK: It is a political necessity for this country and for all of us to put these issues in a political framework. Pompidou makes eloquent statements to us about international monetary cooperation yet they attack us in every forum. That is hardly conducive to constructively resolving the problem.

Van Lennep: Yes, I have heard how Pompidou criticizes Giscard for not taking political considerations into account. He says Giscard deals too much with his monetary people without appreciating the broader political situation. I am worried that unless we have resolved the monetary problem by November we will be in for a bad situation. As economic growth rates slow down, the problem will become acute.

HAK: When you go back to Europe remember that this idea is being proposed by the people in this country who are dedicated to the Atlantic relationship. I don't mind if you convey the strong tone of my remarks.

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6

Van Lennep: I was pleased that you could intervene in December of 1971. It was highly constructive. Now I agree that we need a coherent approach in economic issues. We should not leave trade and monetary discussions to develop on their own without a political overview. We need to get together on this.

HAK: Well, if you could provide your draft by early September that would be helpful and I would very much appreciate it.

Van Lennep: I thank you for giving me the opportunity to discuss this with you. It has been very helpful.

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: Henry A. Kissinger
Vicomte Etienne Davignon, Belgian
Foreign Office
Helmut Sonnenfeldt *js*

DATE: June 30, 1973

PLACE: San Clemente

Kissinger: I am glad to see you here. I have heard a lot about you but we have never met. I know you have some questions.

Davignon: Well, I am glad you could see me and that it was possible for me to come out here. The question is what are you going to get out of the French. If you want to get them to work with the Eight and then with NATO, that is OK. But if they merely tell us they can get what they want directly from the US, then it becomes very difficult.

Kissinger: Well if the French strategy is to extort from us what we want anyway we don't care. It would be OK. But if the French strategy is based on the idea that they can drive a harder bargain with us than *with* the other Europeans can, then there would be trouble. But that kind of victory would not be worth it for them.

Now as you know, if we wanted a tough economic bargain we would not do what we are doing. We could just let the economic agencies run wild. That's what they want to do. But what we are trying to do is to create a political context that will make it possible to be flexible. So the criticism in Europe of our proposal is exactly the opposite of the truth.

In regard to the Year of Europe, we don't insist on doing it with the Nine. This is up to the Europeans. We could do it individually but frankly, we would prefer to do it with the Nine.

You should understand that there is no popular demand here for the Year of Europe. In fact, we will have a big brawl with Congress over troop

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commitments and we could drop the whole thing without losing any prestige. But we are doing it to stop the erosion and to get a sign of the real vitality of the Atlantic relationship. But if we have to fight and bleed for it it simply isn't worth it. So if the French want to fight interminably, Europe will be the loser because we will have troop cuts imposed on us just like the Cambodian resolution. We are willing to go so far with the French but not beyond. We cannot penalize our supporters and we won't. We very much appreciate what the Belgians and you personally have done.

Davignon: Well, I agree with what you have said. It is very true; there is no domestic demand on either side. But it would be very unwise to let things drift on.

Kissinger: In the long term it would be disastrous. It would create strong nationalist tendencies; in fact they are already present in the FRG. And where would the French go?

Davignon: Yes, and the small countries would all become neutralist like Denmark is already tending to do. But of course they would stay in the Alliance -- and go neutralist within the Alliance.

Kissinger: Right. It has become very fashionable to do it inside the Alliance.

Davignon: I agree. Now on the bilateral versus the multilateral. In the Nine, we are trying to do something on diplomacy and then later on defense. I am quite convinced that if we do not do it in the next two and one half years or so we will have missed the opportunity. You know I do not think that Jobert is a lost cause. I find that he listens and I think he could move. Of course there are others in France who are much more difficult. But we have to know that you Americans want a multilateral effort.

Kissinger: I can flatly assure you that we do. We are only using the bilateral approach tactically. My own impression is that Jobert is willing to go along but wants the credit. Now of course if this is wrong it could be done by confrontation.

Davignon: We have lived with French "inventions" for years. So if he wants the credit it is OK with us. But there has to be a sign of the existence of Europe.

Kissinger: In a declaration of principles we are willing to affirm in the strongest terms support for European unity. And we will be happy to see the Europeans affirm their identity. But we can't say that Atlantic relations can only be conducted on that basis. We can't say it must be a united Europe. We would be delighted if it were and it would be the rational way. But this is really between you and the French. We will do nothing to undermine your efforts and you have our complete sympathy. We are trying to discuss bilaterally with the French a declaration that would embody strong references to a united Europe. But if this is just a phrase, then the basic problem is really your problem.

Davignon: Well, not entirely, because there is the question of what happens afterwards -- the follow up. If we just go back to where we were before and do nothing but discuss procedures it would be very bad.

Kissinger: Well, I agree with that.

Davignon: If we all go into bilateral talks with you we will never get this effort into a global context.

Kissinger: And we would all lose our sanity.

Davignon: Would it be possible at some point to say: "Dr. Kissinger is going to some place; could we not have an informal meeting with the Nine."

Kissinger: At what level? It certainly is not excluded. In fact, I am playing with the idea of going to Europe in late July. If you can get all the Nine to come I could do it. Or maybe in September. Our thinking right now is to have a few more bilaterals and then move to a multilateral forum. We are quite willing to deal with the Nine if they can organize themselves. And that, incidentally, also applies to the President, when he goes to Europe.

Davignon: What we have to try to do is to tame Jobert so that he can feel he can talk within certain limits.

Kissinger: You mean you are afraid that he will present things as a French victory.

Davignon: No, that we can live with. We are used to it. But we are worried that France wants to do it bilaterally only, whereas we want to do it multilaterally.

Kissinger: You mean multilaterally, US-Europe?

Davignon: Yes.

Kissinger: With the Nine or with everybody?

Davignon: Well, we can get them to NATO probably but I am worried that the French will say that they can get all they need bilaterally.

Kissinger: To what extent can the US foster the multilateral approach?

Davignon: It would be wrong to do it as explicit US policy. It is quite true that it is basically our problem. But you should say to the French that others want to participate and that the US is ready for this.

Kissinger: Yes. You know, I think a summit will become inevitable if enough people want it.

Davignon: It must be clear that when the French say that the US does not want a multilateral forum, we can say that this is not so. We should be able to say that the US will not ram it down our throats but it does prefer it.

Kissinger: Well, that is our position. But we just want to make it easier with the French.

It would be total absurdity if the President goes to Europe in the "Year of Europe" and then does not meet with its leaders. On the other hand, our dignity does not allow pleading for such a meeting. If this initiative fails there will be economic confrontation, military disengagement and great power diplomacy. On the other hand, if the Europeans maintain their desire to move ahead with us we will support it. We are now in the preparatory phase and we definitely intend to go to a multilateral forum, to multilateral talks. If that fails, there is bound to be confrontation; but if it succeeds, so much the better.

Davignon: But you shouldn't wait with multilateral talks until the last comma.

Kissinger: Obviously. The only issue at the moment is should there be fifteen or nine when we go multilateral.

Davignon: It would be a more restricted context in NATO.

Kissinger: That's true. Maybe we should think of an ad hoc group of fifteen. Whether the Nine organize themselves within such a group is up to the Europeans. But we don't want to confine the discussions only to defense which is what would be likely in NATO. I have just told Luns this. NATO itself should of course deal with defense. We want to aim for an ad hoc group of fifteen or, I guess, 16 including Ireland. But we won't conclude anything bilaterally. We want the issues delimited bilaterally, so we know what we are up against.

Davignon: That does not harm us. It's fine.

Kissinger: You know, without your multilateral efforts our bilateral efforts would not stand a chance.

Davignon: Well, as long as we can continue fencing with the French in the Nine and say that the bilateral talks are a part of the whole, it's OK.

Kissinger: You can be sure that we will insist on multilateral talks and that we won't enter them with a finished product. We simply want to determine what we are up against bilaterally. You can communicate with Strausz-Hupe or Rumsfeld if you think we are overemphasizing the bilateral talks.

Davignon: I will have some firmer impressions to convey after we talk in Helsinki where all the ministers and political directors will be going next week. And then we will have the Foreign Ministers of the Nine in late July.

Kissinger: It really would be helpful for me to know your impressions before I go to Europe. Maybe I should even go before the Foreign Ministers of the Nine. Well, let's exchange ideas after Helsinki. Let me just say again that we favor multilateral talks but we have to decide on the precise organ for multilateral talks, on a multilateral forum. It would be very odd for the President to come to Europe and not to meet the leaders. Once we have a document they should meet.

Davignon: It would be very damaging for us in Europe if a Nixon trip this year were to be the same as the trip five years ago. We have to

show that there is progress. What we will say now is that it is incorrect to conduct bilateral talks with the US without coordination.

Kissinger: That is no problem for us. That's find.

It has been very good to see you here. I appreciate your coming.

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THE WHITE HOUSE

YEAR OF EUROPE
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1973

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