

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

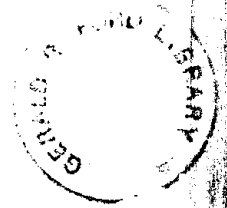
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MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford  
 Mrs. Margaret Thatcher, M. P.,  
 Leader of the Conservative Party  
 Sir Peter Ramsbotham, British Ambassador  
 to the United States  
 Lt. General Brent Scowcroft, Deputy Assistant  
 to the President for National Security Affairs

DATE AND TIME: Thursday, September 18, 1975  
 11:00 - 11:30 a. m.

PLACE: The Oval Office  
 The White House



[The press was admitted. There was small talk about the press and about Mrs. Thatcher being the first woman party leader in the West. The press was then ushered out.]

The President: We have our share of problems here, as do you and the rest of the Western countries. We think it is essential to reiterate and demonstrate our willingness to work with the West Europeans. I think Brussels and Helsinki indicated that desire.

Thatcher: We think that is vital. We also have common problems -- such as what to do with a world in recession and inflation.

The President: I know you are concerned about us. We are making headway in coming out of the recession. I know you have unique problems.

Thatcher: We do. We have lost 18 months. The recession is slowing down. We politicians don't seem to be able to warn people beforehand in a way they will believe.

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 BY [redacted], NARA, DATE 6/2/04

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The President: We find the same problem, especially in dealing with energy. We have been trying for years to alert people to the fact that an energy problem does exist. It hasn't really hit home that prices and our vulnerability will go up and up. Only during the embargo were we able to make our point.

Thatcher: That's right. We are never able to make our points the way the Communist societies do.

The President: We go about it differently. [Laughs].

Thatcher: But they also use good techniques -- publicity, repetition, etcetera.

The President: Our inflation is now down to 6-7% and unemployment is 8.4%. But the polls show that inflation is a bigger problem than employment.

Thatcher: That is a wholesome thing.

The President: It is. It lets us avoid doing things which would contribute to inflation in order to deal with employment. There hasn't been the pressure -- the marches, etc. -- about unemployment. We do have an automatic increase in the transfer payments because of unemployment but we are not being forced to take extraordinary measures. But we also have to get transfer payments under control.

Ramsbotham: When people run out of compensation, will this change?

The President: My theory is that the uncertainty about more people losing their job is a real problem -- and this caused the Republican clobbering in 1974. Next year we think unemployment will gradually decline. We will still have the problem of heavy unemployment, but the ones with jobs will feel more job security. That should translate into votes.

Thatcher: I think also other countries -- France and Germany -- are aware of the problems of inflation. It is good for the world economy that we aren't rushing for solutions. I am very strong on this.

The President: Yes. I have been accused of Hooverism and Coolidgeism, but the American people are beginning to learn that these quick fixes aren't really the answer.

Thatcher: I agree they have more common sense. I see the same in defense matters, but perhaps that is just my generation. But I have no difficulty saying our society is worth defending.

The President: We have a specific problem from Vietnam -- but I think that was good timing. There has not been the pressure this year on the budget and Mansfield Resolution ideas that we used to have. There is a growing idea we must be strong and not second best. But also a feeling we should continue to negotiate for arms control.

Thatcher: But these aren't easy. Especially in MBFR, because there is a fundamental difference in where the two sides start. I wish there were more ways for the people to register in the Communist societies.

The President: I think more and more the people are having an impact. I detected that in my travels.

Thatcher: I fear what will happen when there is a generation that has been raised wholly under the system. Romania is tough and the leaders have such privileges.

The President: I stayed in a place that was far more enormous than any place in the West.

Thatcher: We were delighted with the Middle East settlement. We don't have your problem of the technicians, but we are very pleased with the progress.

The President: We spent enormous time on this issue. We don't think we can stop here but we think the risks of doing nothing were too high. We are taking a risk of the technicians. The Congress is questioning but I think they will agree. A bigger problem is the aid amounts for Israel, and somewhat for Egypt. We have a problem that you don't have in that we have to induce Congress to go along.

Thatcher: That must be very difficult. An additional uncertainty. And Turkish aid?

The President: That is so frustrating. That is the worst decision I have seen in my 26 years in Washington. The Speaker feels the same. It hasn't helped Greece or Cyprus; it hurt NATO and our bilateral relations and our intelligence. We think now we have the votes, but it is tough.



Thatcher: We will get over our economic problems. The longer I am in politics, the more I realize the big problem is carrying public opinion along.

The President: How long have you been in Parliament?

Thatcher: Sixteen years, and nine more trying. I have many Jews in my district, but I think you are much more susceptible to pressure groups.

The President: That is true, I think it is because we have no party discipline to hide behind.

Thatcher: Politicians all need scapegoats -- and there are those who seek headlines by bolting.

The President: I think you could help on Cyprus by trying to insist, if the embargo is lifted, that progress has to be made. We can't allow the situation to just sit.

Thatcher: I think the Nine could help there.

The President: That would be helpful. It would be tragic if the embargo is removed and there is no progress. We would never again be able to use that case.

It was a real pleasure to meet with you. Please let me once again congratulate you on being the first woman head of a major Western party. It may be a forerunner of a lady in the White House.

