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## THE WHITE HOUSE

WASHINGTON

-SEGRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

President Gerald R. Ford

Dr. Henry A. Kissinger, Secretary of State and Assistant to the President for National Security Affairs

Lt. General Brent Scowcroft, Deputy Assistant to the President for National Security Affairs

DATE AND TIME:

Saturday, January 11, 1975 9:25 - 10:05 a.m.

PLACE:

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The Oval Office The White House

<u>Kissinger</u>: We had a reply from the Soviets. They will not agree to modify the trade agreement. They will reject any statement that MFN helps emigration. It is a tough note, saying they are dispensed from their obligations under the 1972 agreement.

President: This throws out the lend-lease payment.

<u>Kissinger</u>: Absolutely. Now we must figure out how to notify the Congress. Their rejection is just in your channel. We could do it formally through Art Hartman; then you could inform the leadership. Or we could put it out through State.

<u>President:</u> My inclination is to notify the Congress through a note about the notification to State.

<u>Kissinger</u>: We have to worry about Jackson. Javits says he is the most ruthless politician he knows. He may try to put on even more restrictions, but will have lost his following.

I will have to think about how to put it out. I am meeting with the Senate Foreign Relations Committee on Thursday.

> CLASSIFIED BY <u>HENRY A. KISSINGER</u> EXEMPT FROM GENERAL DECLASSIFICATION SCHEDULE OF EXECUTIVE ORDER 11652 EXEMPTION CATEGORY 5 (b) (1, 3) AUTOMATICALLY DECLASSIFIED ON <u>Frap.</u> to Det.

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## SECRET/NODIS/XGDS

President: You shouldn't announce it there.

<u>Kissinger</u>: Maybe if we could get it in the paper Thursday morning. I told Javits it might fail and he said hold up for a month and he would try to get a billion.

<u>President:</u> I don't think we should. This is a good way to highlight the problem with the Congress that we are trying to point out.

<u>Kissinger:</u> On PL-480, the Humphrey Amendment is mandatory. Ideally, we need the high option and Vietnam as a Most Seriously Affected country.

## **President:** Indonesia?

<u>Kissinger:</u> No. The high option and Most Seriously Affected would let you meet your foreign policy objectives. You would make Humphrey happy.

With the existing allocation and Vietnam, you either cut Korea in half or drop Indonesia.

<u>President:</u> If Agriculture sayswe have enough, I will go with the high option.

<u>Kissinger</u>: I should talk to Humphrey. I would like to talk to him about the Congressional problem in general -- and this abstract moralism -and I could tell him we will go to the high option if he will move Vietnam to the MSA category. I would like to get some of the responsible Democrats together and try to convince them to pursue a bipartisan foreign policy.

<u>President:</u> I agree. They should fight us on domestic and not foreign policy. [There is discussion about Wayne Hays]

<u>Kissinger:</u> [Mentioned the need to get a handle on the DOD budget so the President didn't have to spend his time on commissary prices.]

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