

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~SECRET/NODIS/XGDS~~

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

President Gerald Ford
President Alfonso Lopez Michelsen of Colombia
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
Felipe Lopez, Private Secretary and Son of the
President

DATE AND TIME:

Thursday, September 25, 1975
11:17 a.m. - 12:17 p.m.

PLACE:

The Oval Office
The White House

The President: It is a real pleasure to meet you and have you here. We have already agreed that we have no problems.

Lopez: We have no problem at all. For example, with your AID we have decided that we don't need your help any more. You can use the funds for needy countries.

The President: We readily appreciate your cooperation. We have had other experiences where countries having no obvious need keep on asking. It gives us trouble with the Congress.

Lopez: We are going to get 40-50 percent more from our coffee exports. Why should we ask for aid?

The President: It is really a fine example and will be helpful.

DECLASSIFIED E.O. 13526, SEC. 16
NSC SENS. NATIONAL STATE DEPT. GUIDELINES, STATE DUR. 2003-2004
NSA DATE 6/1/04

CLASSIFIED BY Henry A. Kissinger
EXEMPT FROM GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 13526
EXEMPTION CATEGORY 5 (b) (1,3)
AUTOMATICALLY DECLASSIFIED ON Imp. to det.

~~SECRET/NODIS/XGDS~~

Lopez: On coffee, we could get along with no agreement, but others want to go ahead with an agreement and we will go along. We will let Brazil use second-grade coffee to keep their quota. The same with sugar.

On the trade bill, we are not affected in any way, but we resent the treatment of Venezuela and Ecuador. I know it was not the Executive Branch that wanted this.

The President: We have been working hard to get that changed. I am convinced it was a mistake, because neither country supported the oil embargo. I don't think Congress knew what it was doing.

Kissinger: We are supporting the Green Amendment.

Lopez: I am having lunch with them. Is there anything I can do?

The President: I would tell them how Latin America feels about this. You can do this effectively because you aren't affected. You can also point out that you are giving up aid and not going to blackmail your own coffee prices.

Lopez: I will do that. After all, coffee consumption is declining.

On the drug problem. It is a worldwide problem, but because of our situation, we are the center of traffic. I made a strong statement because the New York Times blamed us.

The President: They blame me for everything else!

Lopez: A small country like us is invaded by people with and without passports, by planes, boats, etc., heavily financed from within the U.S. We don't have the materials to fight back.

The President: How can we help?

Lopez: We could use technology and economic help. We could use helicopters to find where the planes land. We catch them all the time.

Kissinger: We gave \$900,000 for that.

Lopez: It is too little. The tourists spend \$50 million in Colombia. It has just gone up to \$250 million. That is not tourists -- it is bribes, etc.

We have both a Pacific coast and an Atlantic coast which makes it ideal for smugglers. If you could help us to deal with them, we would appreciate it.

The President: We will do everything we can. It is a terrible problem for us and we want to do everything possible. Do you need technical people or money, both, or what?

Kissinger: I asked Brent to look into the possibility of helicopters. We have given them elsewhere.

The President: By all means, we will look into it. Are helicopters the best way?

Lopez: Yes, to locate airfields and boats.

The President: I would suggest you mention this in your meetings with the Congress. If they know you are working so hard to solve it, it will help us to get the money to help.

Lopez: The drug operators are worldwide. You can't deal with the problem by just dealing with it in the U.S.

The President: That is right. We have found that after the decline in drug use, but recently it has been on the rise again and with harder drugs.

Lopez: We can't control marijuana. We try to control traffic in it, but we concentrate on cocaine and heroin.

The President: Drug users account for a high quantity of crime in the U.S. Their demands are insatiable.

Lopez: Now let's discuss Panama -- [to Kissinger] your favorite subject. [Laughter]

Torrijos came to see me a few days ago. [To Kissinger] Do you know him?



Kissinger: I have met him, a year ago.

Lopez: I am sorry to see your Embassy was attacked.

Kissinger: They are making a mistake. We are trying to get it done, but we have to say certain things. And it is terribly emotional in this country and we can't do it until the elections are over. Then we can sign in 1977.

Lopez: Let me be frank. Torrijos says the same thing, that he has to have something to show.

The President: We sent Bunker down there with a new position.

Kissinger: Yes, it was much more forthcoming. We did start with 50 years, though.

Lopez: They don't think so. Let me tell you, it is easier for a small country to negotiate with a big one than with one of equal size. I would rather negotiate with the Soviet Union than Panama.

I asked how they would defend the canal. They said they had thought of that and offered to let the U.S. in in case of aggression.

In the Canal Zone, they want to have full jurisdiction.

Kissinger: That they can get after the transition period. That is not the problem. The problem is about guerrilla action and the borderline between civil disturbance and guerrilla action.

Lopez: It is between action against third parties and action between Panamanians.

Kissinger: Yes. We do have the right to defend the Canal against third parties. We have asked for 50 years, but we can slip that.

Lopez: Do you need fourteen bases?

Kissinger: Look, we can maneuver so we can give up more, but if we have to do it all now and with publicity, the Congress will stop it. We must have time. We sent a different team down there and we found we can give up a lot. We can give up a little at a time so that over the

period they will get what they need. But we need to maneuver. The House just voted again to take away our ability to negotiate.

The President: That is right, and 32 senators sent me a letter against a treaty. They should know that a newly elected President can do a lot that I can't now.

Lopez: They misunderstood. I talked to Torrijos. I told him it is a conflict between the Executive and Congress and throwing stones at the American Embassy is not very helpful. If you could do something without negotiating.

Kissinger: Outside the discussions?

Lopez: Yes. Something you are not going to use.

Kissinger: You think that would help?

Lopez: Very much.

Kissinger: That I think we can do. Defense would go along with some of that. We had been holding it back for the negotiation, but we can do it now.

Lopez: The small things. Torrijos has his own enemies who say he is getting nowhere after a year. If he had something concrete, even small, it would help him.

Kissinger: We will look at it. We had decided against it in the NSC.

The President: Let's look into it.

Kissinger: I haven't looked at the Defense team report, but we can do something.

The President: If it would help them to get over into 1977 when we can settle it, we can do it.

Lopez: I don't want this conversation about the executive-Congressional relations to get out. I won't even mention this to Torrijos.

Kissinger: We can even make progress in negotiations. We just can't conclude them.

Lopez: I want to make clear I am not threatening. I am not the bearer of any threats.

The President: You will be very well received on the Hill. No threats, giving up aid, help on drugs.

Lopez: I don't want to say that without a treaty Panama could be another Vietnam.

Kissinger: If you could tell them, however, the attitude of all of Latin America, so then they understand just what the attitudes are.

The President: I didn't realize until I was preparing for you that Colombia had transit rights.

Lopez: Yes. The treaty of Thomson-Urrutia. We would negotiate with Panama after they got control. They are willing to give the U.S. the right of military intervention, but as allies, not unilaterally. What they don't like is the assertion of the right of intervention in the Canal Zone based on the treaty of 1903.

The President: One of our problems is the Americans who have been there so long. They are very emotional and they have great strength up on the Hill -- I don't know how.

Lopez: Over the next 18 months then, I will try to present the picture of the two of you working together and that things are moving along. Torrijos doesn't always follow my advice, but he listens to me.

The President: We were talking in the Blue Room about inflation. Colombia is doing better than we are, but we both are scared as we look around the world.

Lopez: One way we are doing it is to fight inflation by inflation -- we raise interest rates very high to sop up demand. It is working.

The President: Our big problem is fiscal. We do have interest rates high, but we are running a deficit of \$60-80-90 billion.

Lopez: According to the World Bank, we made the most radical tax reform in the world. More so than Canada. We had a fiscal problem, but we have doubled the interest rates in one year. This is better than issuing more money.

[The meeting ended.]

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✓ Pres./Pres. Lopez, Colombia
HAK, Gen.S.

Thurs, Sept 25, 1975
11:17 - 12:17 pm

P. It's a real pleasure to meet you & have you here. We have already agreed, Gen.S., that we know no problems.

L We have no ports at all. For example,
~~Gen.S.~~ w/ your AID, we have decided that we don't need your helping more & you can use a fund for needy countries.

P. We kindly appreciate your Corp. We have had other experiences where countries having no ships would buy or asking. And no trouble or (say).

L We are going to get 40-50% more from our coffee X. Why should we ask for aid.

P. It is nearly a first example and will be helpful.

L On coffee, we could get along w/ no agreement but others want to go ahead of agreement & we will go along. We will let Brazil use 2nd grade coffee to keep their quota. Some w/ sugar. >

On the trade front, we not affected in anyway, but we resent treatment of Peru. & Ecuador. I know it was not [ever].

L We been working hard to get that changed. I am convinced it was a mistake, because another country supported & countries, I don't think they know what it was doing.

K We supporting a Order amend.

L I having lunch w/ them. Anything & funds.

P I would tell them we how H.A. feels about this. You can do this effectively because you aren't affiliated. You can also present

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E.O. 12815, SEC. 3.5

NSC MEMO, 11/04/00, STATE DEPT. GUIDELINES, STATE DEPT. 3/11/04
BY John . NARA DATE 6/3/04

and that you giving up and not going to blackmail your own people
I don't do that. After all, our assumption

is declining.

On the drug problem. It is a world wide problem,
but because of one sit., we are creating
trouble. I made strong statement because N.Y.T.
blamed us. &

P They blame me for everything else.

L A small country like us is invaded by
people w/o prospects, by planes, boats, etc
heavily financed from W. or U.S. We don't
have methods to fight back.

P At no time are they.

H We could not catch, & even try, we could
use help to find where planes land. We catch
them all the time.

K We just go over, see

L It's too little. Tourists spend 50 mil in Colombia
It has just gone up to 250 mil. That is not
tourists - it is busses, etc. →

We have both a Pacific & Atlantic coast which
makes it vital for smuggling. If you could
help us at them our cost expense.

P We will do everything we can. It is a terrible
problem for us & we want to do every thing possible. Do you
need help people & money or both, or what?
I suggested Brazil to look into a possibility of help.
We have given them information

* P By all means, we will work with it. As
before the last cony?

- L Yes, & doesn't amfitib & brats.
- P Don't suggest you mention this in your notes or / Ctry. If they know you working so hard to solve it, it will help us to get money to help.
- L The drug operators are world wide, you won't do well by just dealing w/ it in a US.
- P ^{This is wrong} We will do that. We have found that often a change in drug use but recently it has been on - rise again + w/ health changes.
- L We can't control immigration. We try to control traffic in it, but we concentrate on cocaine & heroin.
- P Drug users account for a high percentage of crime in US. Their demands are insatiable.
- L Your lists about Panama - your favorite subject (B/K).
- Torrijos came to see me a few days ago. Do you know him (B/K).>
- K I have met him, a year ago.
- L Sorry to tell you Embassy was attacked.
- K They making a mistake. We trying to get it done, but we have to say certain things. And I terribly emotional in this country & we can't do it til the time is over. Then we can sign in ??.
- L Let me be frank. Torrijos says some things that he has to have something to show.
- P We sent Kunkler down there w/ a new



position.

K Yes, it was much more forthcoming. We didn't think we could do.

L They don't think so. Let me tell you, it is easier for a small country to negotiate a big one than one of a size. I would rather negot w/ SCL than Panama.

I asked how they would defend Canada. They said they had the right & option to let us in in case of aggression.

In case you they want to have full judicial jurisdiction.

K That they can opt after transition period. That note goes. Part is about guerrilla action & c border but, civil disturbance & guerrilla action.

L It is not action against 3rd parties & but, Panamanians.

K Yes. We do have right to defend & not against 3rd parties. We have a task for 50 yrs, but we can skip that.)

L Do you need 1/4 bases.

K Look, we can商量商量 so we can give up more, but if we have to do it all now + publicly, I may will stay it. We must have time. We can't def. them down there & we found we can give up a lot.

We can give up a little at a time so that with a friend they will get what they need. But

B We need to know more. The House just voted against to take away our ability to negot -

P That's right, + 37 senators want me a letter
a joint a treaty. They should know that a
whole stated P can do a lot that I can't
now.

L They understand & think Torrijos has
it is enough what Fader + Cony + Channing
time at arm ~~is~~ Fader is not very helpful.
If you could do something w/o negot.

KP Outside discussions?

L Yes. Something you not going to use

K You think out would help.

L Very much.

K That I think we can do. Def. would go along w/
some of that. We had been holding it back
for c negot, but we can do it now.

L The small thing. Torrijos has his own friends
who say he is getting no where ~~open~~ ^{open}; if
he has something ~~out~~ concrete, even small,
it would help him.)

K We will look at it. We had decided against
it in c NSC.

P Let's look into it.

K I haven't looked at the Def. team report, but
we can do something.

P If it would help them to get closer w/ 77
whatever can settle it, we can do it.

L I don't want this conversation about the
Cony Waters to get out. I won't mention
this to Torrijos.

KP We can even make progress in negot. we just
can't conclude them.

L I want to make clear I am not threatening.
I note belligerency threats.

P You will be very welcome on the Hill.
In threats, giving up aid, help on drugs.

L I don't want to say that w/o a treaty Panama would
be another CIA

K If you could tell them however, ~~that~~ the
ambition of all LA is that they understand
just what attributes are

P I didn't realize until I was preparing for you
that Colombia had transit rights.

L Yes. The treaty of Tiberwood — . We would
negotiate w/ Panama after they got control. They
willing to give US right of civil. intervention,
but as allies, not enemies. What they don't
like is assertive right of intervention in P2
~~based on Treaty of 1903~~ >

P One of our powers is a Army who have been there
so long. They are very brutalized & they
have great strength up on the Hill. I don't
know how.

L Once I except as much as them, I will try
to present a picture of a 2 of you working
together & that things are moving along.
Tarija doesn't always follow my advice,
but he listens to me.

P We were talking in Blue Room about imports.



Otherwise doing better than me, but we both
seem to us look around a world.

L ~~This one~~ ^{way we change it} project migration by inflation -
~~that raises interest rate very high to satisfy~~
demands. It is working.

P Our big part is fiscal. We do have interest
rate high, but we running a deficit of
60-70-90 bill.

L According to World Bank, we made a most
radical tax reform in a world. More so than
Canada. We had a fiscal part, but we have
climbed interest rate in 1 yr. This is
further than raising more money.