

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

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*del NARA Date 5/16/06*

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

President Ford  
Helmut Schmidt, Chancellor of the Federal  
Republic of Germany  
Dr. Henry A. Kissinger, Secretary of State  
Brent Scowcroft, Assistant to the President  
for National Security Affairs  
Hans-Dietrich Genscher, Vice Chancellor  
and Minister of Foreign Affairs

DATE AND TIME:

Friday, July 16, 1976  
11:00 a.m. - 12:29 p.m.

SUBJECTS:

Offset; African Aid; SALT; CSCE; Southern  
Africa; Greece and Turkey; Saudi Arabia

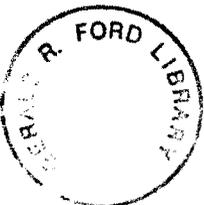
[Discussion of latest economic indicators.]

Schmidt: I think the aides of the two Secretaries of State have worked out some drafts which seem satisfactory with the exception of a couple of bracketed items. I suggest we conclude this today so the bureaucrats don't get at it and stretch it out three more months.

Kissinger: I think we can reach agreement but I think we should run it by Simon.

Schmidt: Could we each have a copy of the draft?

The President: While we are waiting for that, here is an up-to-date on the Olympics. Canada has relented to the extent of permitting the Taiwanese to use their flag and their national anthem but they can't use a placard calling themselves the Republic of China. The Chinese thus far haven't accepted it.



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African Aid

Schmidt: We discussed yesterday afternoon, Henry and I, the concept of economic support for Africa. I support the plan for aid to African moderates; I just don't know how to finance it.

Kissinger: We discussed yesterday the problems of giving aid only on technical considerations without political considerations. We are reviewing for the US these bits and pieces of programs to see if they shouldn't be put together.

Schmidt: We were thinking about, again, a meeting of the Shultz group to conceptualize these problems.

The President: What figure was Giscard thinking of?

Schmidt: One billion over three years, divided into shares among us.

[Humorous discussion on Bavaria, HAK, etc. ]

[The language of the notes on offset and consultation is negotiated. ]  
The consultation notes will be kept by the two of us, and shown only to Defense Ministers and Chairman of the JCS.

Kissinger: We may have a Case Act problem.

The President: It would leak if the Congress got it.

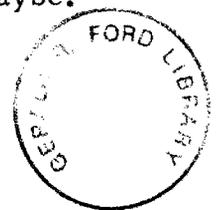
Schmidt: That is more a problem for you than us.

We would not propose revealing to anyone, but if you decided that a Congressional Committee has to get it, we would be compelled to do likewise. [The offset press statement was agreed. ]

SALT

If we have a moment, could we mention SALT again? Would you foresee that there is a chance for a new published agreement by the time of the election, or would you only get a few steps further along?

The President: That depends on which option I choose. If I select a variant of an earlier proposal, no. If I talk another option, maybe.



Schmidt: And what would it mean to your campaign?

The President: If I take the one option, I think it would be good. I may be accused of doing it for political purposes, but I think it would be beneficial.

Schmidt: My questioning stems from a feeling that movement in MBFR will depend on SALT. It is my feeling that there is no movement likely before 1977.

Kissinger: No way.

Schmidt: It involves a dispute with France, which I would rather not have before my election.

Kissinger: We couldn't even get a SALT agreement before your elections.

Schmidt: Can I say to the press we talked SALT and MBFR but it is not for me to discuss details?

The President: Our problems are mostly internal.

Schmidt: I understand that.

CSCE

On the 1977 Belgrade meeting. There are people who seem to want to upgrade it -- to make it at the level of Foreign Minister or Head of State. What is your position?

The President: We have a complicating development here. The Congress has established a CSCE Review Commission. I haven't really thought much about it. Henry --

Kissinger: I am inclined to keep it at the lower levels, but I haven't thought it out.

The President: I don't like the idea of East-West summits every two years, but some of the smaller countries are pushing it -- and they feel left out.



Kissinger: If it is a summit, the President would have to criticize Brezhnev for non-performance. That is not good.

Schmidt: We need to have some way to make them feel engaged. Perhaps at the official level we could have a meeting in Geneva to give instruction to the Belgrade delegation -- like the meetings we had prior to CSCE.

Kissinger: I expect the Belgrade meeting to be rather nasty.

Schmidt: I think Helsinki has helped the Communist parties stand up to the Soviet Union in the recent conference.

Southern Africa

Kissinger: On South Africa. We have had good response from the confrontation states. The chief question is whether or not the guerrilla fighting can be stopped.

Schmidt: Vorster is a decent man but he is not looking far enough into the future.

Kissinger: But suppose he came to you for advice? What would you say?

Schmidt: Apartheid has to break down.

Kissinger: Continuation of the present system is not possible, but neither is straight majority rule.

The President: How long does he have?

Kissinger: He has two years if the situation is stonewalled; maybe five years or more if Rhodesia and Namibia work out.

The President: One question I have for you: How about Greece and Turkey?

Schmidt: If the US does not ratify the Turkish base agreement, things could get out of hand. The two parties in the coalition in Turkey are leading to a situation where nothing can be done. Makarios is getting into the position of being the opposition leader in Greece. I think Karamanlis is a decent man, but Makarios is a real problem.



Kissinger: The Greek-Americans listen to Makarios, not to Karamanlis.

Schmidt: Karamanlis is an honest, decent person. Once he is destroyed, things are out of hand in Greece.

Now the Greeks can accept a Cyprus solution only if they get something on the Aegean. On Cyprus, time is running against the Greeks; on the Aegean, probably against the Turks.

Demirel is inviting Communist leaders to Ankara this summer. He is moving toward neutralism and Islam.

Saudi Arabia

I am deeply impressed by the moderation of Fahd. But I think the King is naive. We are going to send an economic advisor to them, at their request. They said they need someone who can give them some advice.

[Walking out the door] Mr. President, I want formally to thank you for inviting me here and allowing us to participate so intimately in your bicentennial. It is an expression of the closeness of our relations and our meetings have fully confirmed that again for me.



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