

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

SECRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President 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: Friday, February 28, 1975
9:25 - 10:28 a.m.

PLACE: The Oval Office

Kissinger: I sent the [Houston] speech portion on commodities to Treasury and find out it is now in the EPB. It is not worth your attention. But we should have a joint NSC-EPB study on commodities. Simon wants to make it a pure Treasury study, and I think the foreign policy aspect is very important.

President: Speaking of commodities, I notice that China canceled a wheat deal. What is the significance?

Kissinger: I may be partly responsible. Last summer they took violent exception to my statement that they and the USSR were major grain consumers.

Scowcroft: They also are short on foreign exchange.

President: How about PL 480? Where are we? With prices dropping, can't we save money and ship the same quantities?

Kissinger: We will make the allocations by Monday.

President: Let's hurry. Prices are dropping and Congress is thinking of including target prices.

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EXEMPT FROM GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
EXEMPTION CATEGORY 5 (b) (1, 3)
AUTOMATICALLY DECLASSIFIED ON Imp. to det.

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 11/24/98, State Dept. Guidelines
By let, NARA, Date 1/31/00

The embassy I was thinking of is Nicaragua. Let's get rid of Shelton.

Kissinger: I am just waiting for a name from you.

I think we need a CIA Steering Committee and White House corroboration.

President: Silberman said he won't take it.

Kissinger: Colby and Schlesinger are scared and out of control. You should consider Silberman for Colby.

President: He said he would help out for a month or so.

[More on Colby]

Kissinger: Verification Panel meeting on SALT. There is one issue I want to mention to you. Defense wants to raise the issues that were settled at Vladivostok for bargaining points.

President: Like what?

Kissinger: MIRV limits on the SS-18. I think Brezhnev will take it as bad faith. It is true they did the same in their treaty. But we are in a stronger position if we insist on the limits of Vladivostok. Otherwise we are back to the drawing board. Also if it is in your instructions, we will have to defend why you fell off.

President: What have they asked?

Kissinger: 240 Trident, something on FBS.

One other thing. Jackson is now attacking SALT compliance, rather than the Vladivostok agreement. Colby gave the impression there were massive violations. Schlesinger is testifying next week. Maybe a short NSC meeting would be useful.

President: That is a good idea. Give me a full background paper.

Kissinger: Church and Pearson have indicated some interest in a three-year Vietnam package. They probably won't accept our figures. I think we should ask for \$6 billion. Martin thinks we can go for \$5 billion.



President: You know they will cut anyway.

Kissinger: We should ask for 6 and accept 5.

They also have a Cambodia gimmick: cut it to \$75 million and make it up through drawdown, etc. We can't accept the psychology of taking cuts like that even though they are made up.

President: How is the Congressional delegation doing?

Scowcroft: They are meeting with the PRG.

Kissinger: You should send a letter to Brezhnev. [He hands the President a draft, which the President reads.]

President: O.K. Will Brezhnev bring Mrs. Brezhnev?

Kissinger: Yes, but I have an uneasy feeling something is wrong with Brezhnev.

On Panama, rather than come directly to you I would like to have an interagency meeting to try to resolve it with Defense. We offered 25 years in '67. For us to go to 50 years now will break off the negotiations.

On my speech, the press may play it as a change in our Cuba policy. I say something about changing the two-thirds majority.

President: Will we vote for it? I am a little uneasy about so overt a move with this current uproar in the Senate.

Kissinger: I took out the multilateral corporations. If I take this out, there won't be much left.

President: Go ahead, but make a strong point on the American bilateral attitude.

Kissinger: I could take it out and put the part back in about corporations.

President: I think that would be better. There will be some support for the corporate aspect, but not the vote part.



Kissinger: There are two Nixon-associated points I want to mention.
[Chapin and Safire]

President: Inconceivable. First, how could you have? Absolutely impossible.

Kissinger: Lowell Weicker sent a letter asking to get transcripts of my transcripts of telephone conversations. I would like to tell Weicker if there is any legislative purpose to be served, I will be happy to answer.

President: Isn't that Executive privilege?

Kissinger: I am assuming this is the beginning of some new onslaught.

President: If there is a public contest between you and Colson, there is no doubt of the winner.

Kissinger: What I would like to have brought out is all the conversations between Colson and the President.

Haig told me \$5,000 was given to Colson and Scali to hand out to newsmen to get me. They used to give the President lists of my phone calls.



→ tactics on Cambodia -
→ New South Cabinet on Penang
Get them out of Cambodia

Embassy

CIA Group Meeting



2/28/75

K I sent speech portion on Cambodia to Treasury & find out it is now in EPB. Not worth your attention. But we should have a joint NSC-EPB study on Cambodia. Simons wants to make it a pure Treas study & I think it is very important.

P Speaking of Cambodia I note that China says a wheat deal. What is sig?

K I may be partly right last summer they took without exception to my statement they + USSR were major rice grain producers

S They also short on rice exchange

P How about PL450? Where are we? W/ prices dropping,

• Cant we send money & things same quantities?

K We will make allocations by Monday.

P The let's hurry, prices are dropping & I'm thinking of increasing target prices.

Hairy

The Embassy I thinking of is Nicaragua - let's get rid of Shultz.

K I just writing for a memo for you.

I think we need a CIA Steering Committee w/ a coordinator.

P Silberman said he would take it.

K Colby & Schlo are scared & out of control. You should consider Silberman for Colby.

P He said he would help out for a month or so.

(Cancel on Colby)

K OP entry on SALT. One issue I want to mention to you. Saperas wants to raise a series of issues settled at Vlad for bargaining points.

P Like what

K More limits on SS-IT. I think Bug will take it as hard faith. It is touching child & some in their water. But we in stronger position if we insist



Schles - breakfast
→ NSC only full background paper

on hints of Vlad. Otherwise we are back to chasing
around, also if it is in your instructions, we will have
P What about the cable?

K 240 Transit, something on F.B.S.

One other thing, Jackson is now attacking megalomaniacs
within the Vlad. Policy gave impression that
~~was~~ excessive invitation. Substantiation - report work.
Maybe a short NSC entry would be useful.

AK P Good idea. to CIA - use a full background paper.

K Edmund & Pearson have indicated some interest
in 3 yr UK package. They put down 2 except
and figures. I think we should ask for 6.

So Martin thinks we can go for 5

P You know they will cut anyway, we should
ask for

K We should ask for 6 & ~~not~~ accept 5.

They also have a Cambodia genocide. cut to 75
will make it in their drawings, etc. We don't
accept the psy. of taking into like that even tho they
are made up.

P How is my delegation doing

S Very w/ PRA

K You should send letter to Bug
(P reads)

P ok. with Bug being Mrs. B.

K Yes, but I have an uneasy feeling something
is wrong w/ Bug.

On Panama, ~~the~~ rather than come directly to you
I would like to have interagency meeting to try to
resolve it w/ defense. We offered 25 yrs in G. To
get 50 will break off negotiations.

On my speech, press may play it as a change



in Senate policy. I say something about changing
a 2/3 majority

P Will we vote for it? I am a little uneasy about
to send a man w/ this current opinion in a
Senate.

K I took out a unilaterated corporation. If I take this
out there won't be much left.

P Go ahead, but make strong point on ~~the~~ U.S.
& bilateral relations.

K I could take it out and put a part back in
about corporations.

P I think that would be better. There will be some
support for the corporate aspect, but not a vote
part.

K There are 2 names associated with I want to mention.
(Chapman-Sapine)
(~~Howard W. Walker~~)

P Inconceivable. First, how could you have. Absolutely
impossible.

K (Howard W. Walker)

I would like to ask Walker if there is any legal
purpose to be served I will be happy to answer

P Isn't that legal privilege?

K I am assuming this is a beginning of some new
development.

P If a public contract bet you + Colson, there is doubt
of Walker.

K What I would like to have brought out is all the
connections bet Colson & Pass.

Have you met some guy in Colson + Scott's hand
to remember to get me. They used to give a
Pass book of my phone calls.

