

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Gerald R. Ford
Senator Frank Church (Dem. -Idaho)
Senator James B. Pearson (Rep. -Kansas)
Dr. Henry A. Kissinger, Secretary of State
and Assistant to the President
for National Security Affairs
Max Friedersdorf, Assistant to the President
for Legislative Affairs
Mr. John O. Marsh, Jr., Counsellor to the
President
Lt. Gen. Brent Scowcroft, Deputy Assistant
to the President for National Security Affairs

DATE AND TIME: Tuesday, March 4, 1975
12:30 p. m. (30 minutes)

PLACE: The Oval Office

SUBJECT: Three-year aid program for
South Vietnam

The President: My understanding is that you wanted to talk about trying to find a key to the amount and time of aid to Vietnam. I made the statement in the Chicago Tribune, which you read, I'm sure. Based on our analysis and Ambassador Martin's views, a three-year commitment would get them over the hump and give them a reasonable chance, except for cash Foreign Military Sales. Martin thinks \$6.5 billion should be the figure. We think maybe \$6 billion.

Senator Church: I saw two accounts, one with two years and one with three years. I thought it might be possible to work out a statutory scheme for phasing out both Cambodia and Vietnam. We thought we should come down and discuss with you. Now you are faced with ceilings and there is a strong chance that Congress won't grant relief. I wanted to break the stalemate and see if there is some way out of this open-ended subsidy of an ongoing war. I spoke with Jim on whether we could formulate something which would be acceptable. I think it has to include a phasedown to be credible.

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 11/24/98, State Dept. Guidelines
By lt ARA, Date 1/26/00



~~TOP SECRET~~ XGDS (3)
CLASSIFIED BY: HENRY A. KISSINGER

The President: I agree. There must be an ironclad assurance.

Senator Church: If it were a phaseout backed by you, we might be able to sell it. But when you get to the detail -- that is where the discussion begins. The first question is on economic assistance -- because assistance is fungible. But I thought we should at least present it to you.

Senator Pearson: I did an analysis. I doubt if the additional aid will go, but there is a gnawing conscience at work on the Hill -- not really connected to current arguments or a "commitment."

As I understand it, the Administration's idea is from 1976-78, \$6 billion, with only Vietnam involved. Frank is thinking '75-77 for all Southeast Asia, and around \$2.5 billion. These all relate to each other. I think there is a chance in the Senate. I don't know about the House.

Senator Church: If it were linked with the base closing in Thailand -- they have called for it, and Nunn says they are bases without a purpose. I don't see why we need them. If you did that, we could sweeten it.

The President: We would have to tie it in with worldwide MAP.

Senator Church: I think your proposal should be tied to the \$300 million for Vietnam.

Secretary Kissinger: If some relief is not taken in Cambodia within the next two or three weeks, Cambodia is through. I don't think we could work out a scheme like this by then. I haven't discussed it with the President. In Laos, for example, if we give economic aid to a friendly, coalition government, the Communists don't object.

Cambodia is the urgent issue. In 1973 we had a negotiating situation when the bombing halt killed it. If we can get them through the dry season, we can negotiate. It will be a lousy one, but something. But we can't wait on Cambodia.

The President: I feel an obligation. We must make a last massive effort to negotiate. If we can get to the wet season, there is a chance for negotiation. Our people say that with the supplemental there is a chance to get through the dry season. I can fill you in on the House situation. Otto is marking up today with an amendment lifting the ceiling -- with support by the Foreign Affairs Committee for a rule. Doc [Morgan] doesn't want to go through the Authorization process. That is the quickest in the House



Senator Church: I don't think that would work in the Senate.

Senator Pearson: What is your reading of the Senate?

The President: I don't have one.

Secretary Kissinger: A negative vote would probably lead to a collapse in Cambodia. Doing nothing would let it unravel more slowly so we can get some people out.

Senator Church: I would guess it wouldn't go in the Senate. No one can be convinced it is not the last and won't be followed by more. That is why I wanted to tie it to a termination.

Senator Pearson: If that is not doable, I think Cambodia is better by itself than tied to Vietnam.

What would a phaseout look like to foreigners?

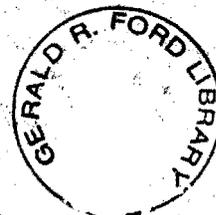
Secretary Kissinger: Honestly, I don't like it. I can't say at the end of three years we won't face a serious situation. The best is to do what is required each year. But rather than face this each year, this is an alternative. If the levels were adequate, this would be more bearable than for Congress to appear to be stabbing an ally in the back. If it is done over three years, our diplomacy and other countries could adjust to it. It is not the best way, but it is acceptable. I don't like it, but I don't like the whole debate.

Senator Church: I don't like the whole policy which got us there. But if we were to phase it out, wouldn't it alert the people out there to the necessity to bargain?

Secretary Kissinger: A three-year program which doesn't look like a sellout, I would support.

The President: I share Henry's view. I have always supported aid. I believe that under the circumstances, if we get a three-year program, adequately funded, it is the best way to save the American perception in the world, and the commitment to an ally. I will work with you. I don't know how the leadership would react.

How could we proceed?



Secretary Kissinger: I think we could hold on the \$300 million, but we must move on Cambodia. We maybe could piece together something on Cambodia which would avoid a flat money increase.

Senator Pearson: What would we put it on?

Max Friedersdorf: Maybe just handle it separately. It can't be hidden.

Senator Church: Unless Cambodia were a part of a phaseout, I couldn't vote for it. But I would still be willing to work on the Vietnam package.

Senator Pearson: There is no way to get Mansfield to support this.

Senator Church: Humphrey might.

The President: Who can we get to work with them?

Secretary Kissinger: Habib, Maw and Graham Martin.

The President: It is worth a try. We have nothing to lose.

Secretary Kissinger: Let's have them work together to see if we can put together a package.

Senator Pearson: I will take soundings if the concept is acceptable.

Senator Church: Then it would apply only to to Vietnam?

Secretary Kissinger: I don't object to including Laos, but you may find.....



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*Pres
G. J. memo*

THE WHITE HOUSE
WASHINGTON

CONFIDENTIAL

MEETING WITH SENATORS CHURCH AND PEARSON

Tuesday, March 4, 1975
12:30 p.m. (30 minutes)
The Oval Office

From: Henry A. Kissinger *H*

I. PURPOSE

To discuss the possibility of a three year limitation on aid to South Vietnam.

II. BACKGROUND, PARTICIPANTS & PRESS ARRANGEMENTS

A. Background: Senators Church and Pearson wish to explore with you the suggestion in your Chicago Tribune interview to terminate aid to South Vietnam after three years of "sufficiently large amounts." Senator Church reportedly believes the first year should be based on FY 75 appropriations, the second year two-thirds of this, and the last year one-third. This would total about \$2.5 billion for the three years. If true, this amount would be far too small. Ambassador Martin recommends \$6.5 billion for this period. Senator Pearson is believed to be more willing than Church to provide adequate amounts. This meeting could be a useful initial step in gaining Congressional support for a limited, but adequate aid program for South Vietnam. Both Senators reportedly wish to work with you and not against you in this matter.

B. Participants: Senator Frank Church (D-Idaho), Senator James Pearson (R-Kansas), Secretary Kissinger and John Marsh.

C. Press Arrangements: Meeting to be announced. White House photographer.

III. TALKING POINTS

-- I understand you wish to discuss a three year aid program for South Vietnam. I would be delighted to hear your views on this most important matter.



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NSC Memo, 11/24/98, State Dept. Guidelines
By *act* Date *1/28/00*

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- If we were to end aid to South Vietnam after a given period, it would be essential that, in the interim, we provide enough to give it a reasonable chance to stand on its own feet -- and I believe this is feasible.
- Graham Martin, our highly experienced and realistic Ambassador in Saigon, is convinced that sufficiently large amounts over the next three years will do the trick.
- Martin believes that a total three year program of about \$6.5 billion would be required. Obviously, the amounts are something we will have to work out with the Congress, but we would have to insist on an amount which would make its survival a reasonable prospect.
- South Vietnam has considerable economic potential and is by no means a permanent basket case. It should soon be able to export rice, sugar and other valuable products; moreover, oil and natural gas have been struck off its coast. In time, those deposits could be important sources of revenue.
- The South Vietnamese have managed their economy well. During the last quarter of 1974, for example, they only had a single digit inflation rate -- because they have really tightened their belts.
- The South Vietnamese army is fighting well and should be able to hold its own with sufficient military assistance.
- I feel very strongly that when we do end our aid, it must be in a responsible manner and must be consistent with maintaining our credibility as an ally -- not only in Southeast Asia, but elsewhere as well.
- I am confident that ways can be found to meet Congressional fears of unending aid without abandoning a brave ally.



✓ P/ Church / Pearson / Kissinger
Friedberg
4 Mar 75

P Very reluctantly you wanted to talk about
trying to find a way to meet + terms of VN cond. I
wrote statement in this form.

Based on our analysis + Martin memo, a 5 yr
contract would get the new a long + give them
a reasonable fig. chance, except for each FMS
Transition Check 6.5. We think maybe 6.

C I saw 2 accounts, one w/ 2 + 1 w/ 3 yrs. I think
it might be possible to work out starting scheme
for phasing out - both Cambodia + VN. Well that
we should come down + discuss w/ you.

Now you are faced w/ picking + strong
chance that they won't grant relief. I wanted
to break statements + see if some way out
of this opened ended subsidy of an ongoing
war. I spoke w/ you whether we could
formulate something which would be acceptable.
I think it has to include a phase down to
an extent

P I agree. There must be an iron clad assurance.

C If it needs a present backed by you we might
be able to sell it. But when you get to a detail -
that is where a discussion begins. First question
is how much - because cost is prohibitive.
But I think we should at least present it to you.

Person I did an analysis - I don't if a additional cost will
go, but there is a remaining consensus at
work on Hill - not really connected to current
arguments or "contracts"

As I understand, Admin idea is 76-78, 6 bil,
only VN includes Frank thinking 75-77, all
SEA, + 4.5 bil (P). These all relate to each



other. I think there's a chance in a Senate, don't know about a House

C If it were linked w/ base closing in Thailand - they have called for it, Nixon says they have w/o a purpose. Don't see why we need them. If you did that, we ~~we~~ could sanction it.

P. Talks would have to tie it in w/ accord with N/SP

C I think your proposal should be tied to a 300 mil for VN

K If some relief sort of taken in Cambodia w/ in next 2-3 weeks, Cambodia is there. Don't think we could work out a scheme like this by then.

Harris discussed w/ P. In house, for example, it's an aid to a friendly, evolution part - must not object.

Cambodia's urgent issues - in '73 we had negotiat when banking halt halted it. If we can get them dry season we can negotiate - it will be a long one, but something. But we can't wait on Cambodia.

P I feel obligated - we must make a last massive effort to negotiate. If we can get to wet season, there's a chance for negot. Some people say w/ sophisticated there is a chance to get them a dry season. I can fill you in on a House sit. Otto is marking up today w/ several lefty critics - w/ support by HFAAC there's a veto. Doc doesn't want to go thru such process. That's protest in House.

C Don't think that would work in Senate

Pea. What is your reading of Senate

P I don't have one.

K A negative vote would just lead to collapse in Cambodia. Doing nothing would let it unravel



more slowly so we can get some support.

C I should guess it wouldn't go in a Senate. Because
can be convinced it's not a last resort & won't be followed
by more. That's why I wanted to tie it to a termination
reason. If that's not do-able I think Cambodia better by itself
than tied to UN.

What would a phase-out look like to foreigners

K Honestly, I don't like it. I can't say it unless I see
we won't face a serious sit. Best is to do what regional
exchange. But rather than face this exchange, this
is an alt. If the links were adequate, this would be
more desirable than for us to appear to be stabbing
an ally in the back. Don't even say, even diplomatically
& other countries could adjust to it. Not best way, but
it's acceptable. I don't like it, but I don't like a whole
debate.

C I don't like a whole policy which got no there.
But if we were to phase it out, wouldn't it alert
people out there to necessity to buy in.

K a 3 yr prog which doesn't look like a sell-out
I would support.

P I share K's view. I have always supported aid. I
believe make sense if we got a 3 yr prog, adequate
funds, it's best way to some US perception in
world, except to an ally, I will work w/you. I
don't know how a linkship would react.

How could we proceed?

K I think we could hold on a 300 mil, but we must
move on Cambodia. We might could price together
something on Cambodia which would avoid a flat
unseen increase.

Person what would we put it on?



F Maybe just handle it separately. It can't be broken.
C Unless Cambodia was a part of a present I couldn't
vote for it, but I would still be willing to work on
UN package.

Person No way to get Wrenford to support this. ~~How~~

C Humphrey, ~~Wrenford~~

P Who can we get to work w/ them

K Hubert/ Wren + Graham Hamilton

P ~~Let~~ It worth a try, nothing to lose

K Lets have them work together to see if we can put
together a package.

Person I will take something if a exempt is acceptable.

C Then it would apply only to UK

K Yes, I don't object to what have, but you can
find

