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
- Max Friedersdorf, Assistant to the President for National Security 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.
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 Vietnam?

Secretary Kissinger: I don't object to including Laos, but you may find.....
MEETING WITH SENATORS CHURCH AND PEARSON
Tuesday, March 4, 1975
12:30 p.m. (30 minutes)
The Oval Office

From: Henry A. Kissinger

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.
-- 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/Players/Kissing
Finished
4 May 75

I am making an appointment to talk about
Egypt & other ideas that we want to discuss. I
will start a statement on this topic.

Also, I am trying to get in touch with
someone in the government to discuss
our next steps. We need to be
active.

I have 5 questions:
1. What is
2. What is
3. What is
4. What is
5. What is

I might be able to work out a
feasible plan with someone from
the government. We need to
make sure we have a clear
understanding.

Once you are finished, I will try to
clarify that you want to meet. I want
to keep these meetings
informal.

If you need any help, please let me
know. I am happy to assist.

P: Request. These must be in order:
1. Review:
2. Meeting:
3. Discussion:
4. Action:
5. Agreement:

Remember, I will contact you to schedule
our conversation. We will
discuss:

As planned, Alabama: 26-76, 6-89,
also VN: Mississippi 75-77, 77-87,
SDA + 7-5 bill. Thanks for the breakfast.
I think there a chance in Senate, don't
think in House.
I think we have a chance in Florida.
They have called for it. It means they have a purpose. Don't see why we can't do it. If you
and me, we can do something.
We will have to talk to each other.

I think my project should be tied to a round
in VN.

If some religious stick in Cambodia
with 2-3 cats, Cambodia is them. Don't think
we can work with a church like this.

Haven't discussed with their leader yet. It won't
aid in a genuine, religious part—church and object.

Cambodia cannot remain in US nor be neglect
at when burning but halted. If we can get
them to come, we can negotiate. It will
be a long way, but something that we can work
on Cambodia.

Feel stupid—can't make a dent.

Know they want—can't make a dent.

Don't lose patience. Can get it. We can get it.
Please, don't waste time in a church to get them a day sooner.

Support; House vote. Call to make my
position heard, will help the support by HRC
there and. Don't want to go them with press.

Don't want in House.

Don't think that would work in Senate.

What do you need in Senate?

Don't have one.

We agree that would just deal to college in
Cambodia. Doing nothing would let it succeed.
Some policy was not yet seen put up.

C should give it, would put in a deed. House can be involved in some but can't be followed by some. That only to wait to this in a Communist form. If that can't be able I think Cambodia with a play thing like in & on you.

10. Will sell as pleasant both like to foreigner.

K hardly didn't like it. I can't say it only is to us want from a succession. But is to do what seems right get. But within them from this early on, this is called if we build we adjust this would be more desirable than for 30 to appear to be starting on all in a lock. But not so sure, can only make certain to move and adjust it. But that we set it anywhere. I don't like it, but think better whole whole whole.

1. I don't like a whole policy which is that the, but if you won't phase it out, wouldn't it what a people that there is necessarily to change.

2. I hope, but which didn't look like a yellow I would expect.

P Johnson, he was always suspected out. I think make resume if we got a lot a hyp, adjust good. It don't say to make the perception in a world, content and finally, I would work up. I don't know how leadership would exist.

3. Don't understand what? I think we could build a on, but if we want mass on Cambodia. We make a counting together. Something Cambodia which would move a flat money massacre.

4. Don't understand what it is?
F. I would think about it carefully. I can't be bullied.
C. Unless Cambodia was a party, a pleasant I couldn't
vote for it, but seemed to be willing to work on
UN package.
D. No way to get it done, and support this. (Sure)
C. Humph, complex.
P. We can't get it worked up.
K. Back to Man. Another thread.
P. Back to War. Nothing to lose.
K. Like have them work together to see if we can get
package together.

From F. will take counseling, if a report is acceptable.
C. Then it would appeal only to UN.
K. Yes, I don't wish to wind here, but you may
find