MEMORANDUM OF CONVERSATION

PARTICIPANTS: Valery Giscard d'Estaing, President of the French Republic
Foreign Minister Jean Sauvagnargues
President Gerald 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: Thursday, May 29, 1975
[Following King Baudouin's Dinner]

PLACE: Royal Palace
Brussels, Belgium

Giscard: I wanted to come to show you an expression of my regard for you and the United States. I know it is a difficult time for you. In Southeast Asia, we tried to influence them as long as we could. We know the difficulties you are having, and we understand why you wanted to come to Europe.

President: I have long thought we made a mistake in the way we conducted our operations, but I still believe our objectives in Indochina were right. There comes a time when you have to recognize the realities. It is over. But some of us don't concede that we were wrong to have tried.

Giscard: I think this will give you more freedom of action now. The French public opinion understood, and there was no criticism.

President: In the United States, most people did not take any satisfaction from the events, even those who were against the war.

Giscard: We have taken a certain number of refugees. Our Consul has visited some of the camps.
President: We appreciate this. Several other countries have offered.

Giscard: I want to raise my second point: I believe that for French security and the stability of the Western world, it would be better to have two units -- Western Europe and the United States. In the past, it was thought that Europe couldn't be a reliable partner, but now I don't think it is possible to have a difference between us on major points. I think the people would have more security with two units. Of course, Europe is not yet organized, but I intend to try. I would like understanding from the United States that it is sympathetic to our attempt to do this. Tindemans is doing a study to see what could be done.

President: How about Portugal, and Spain?

Giscard: I am just thinking of the EC now, but we would expand to include Greece, Portugal and Spain.

I share your view on Portugal. I expressed it to Helmut [Schmidt]. We shouldn't ostracize them, but we shouldn't give them support.

President: They are no better than the old regime.

Kissinger: Concalves gave us a political lecture today: The Armed Forces Movement represents the people, the political parties represent only part of the people, he says.

Giscard: This is sad. The Portuguese people are nice people. To imagine the Armed Forces Movement is the expression of the people!

We were embarrassed. Casta Gomes is coming next week, on the way to Romania. We arranged it when we thought the election would change things.

I believe it is important to build Europe. Right now we have the Soviet Union and China fighting. If they join up, then there would only be the United States opposing.

It is better for us not to try to change the NATO structure. We will increase our own forces. We won't push our partners to diminish their NATO commitment. Defense relations will remain the same for now, but politics will be done more and more on a unified basis in Europe. Then it would not be good for the United States to work with one and another.
President: This would exclude Canada also.

Giscard: Yes. Only the Nine.

President: What about Spain?

Giscard: That is another Portuguese case, an aging regime unable to adjust for the future. One can hope, but I am not optimistic. Juan Carlos is a fine fellow, but he hasn't the strength.

Kissinger: I agree. He will take no risks. I advised him not to continue to play a secondary role to Franco. When Franco took back the power last year, I told him to withdraw, with an announcement that he would wait, then leave Spain and travel. When Franco died, he should go back and put in a Cabinet of liberals, instead of being a prisoner of Franco. But he won't do it.

We can't help. They are a proud country and other people can't help. So Europe will be Benelux and the Six.

Let me say something on the Third World. I visited several places. In Morocco, two million people cheered me because of our position on developing countries. We recognize they have a position to defend. The United States policy of the last few years which has been negative in these areas has been resented. I understand your view, but in the world today, you can't let people be captive to price fluctuation, etc.

President: We will not defend the free enterprise system rhetorically, though we believe in it. Neither will we embrace the "new order." We will sit down on a case-by-case basis and discuss these problems and solve them. Rhetoric won't do it. I am a problem-solver. We will express our views at the table but we won't polarize people because the problems that can't be solved.

Giscard: After World War II, the United States took an active position to decolonize. We supported you. Now these people are worried about their economic future. This is a major issue now.

Kissinger: We recognize this. We have a difficult time within our own government. We have solved that. But it would be bad if the countries of the developed world competed with each other to offer favors to the underdeveloped nations. That is our concern.
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