MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Gerald Ford
President Alfonso Lopez Michelsen of Colombia
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
Felipe Lopez, Private Secretary and Son of the President

DATE AND TIME: Thursday, September 25, 1975
11:17 a.m. - 12:17 p.m.

PLACE: The Oval Office
The White House

The President: It is a real pleasure to meet you and have you here. We have already agreed that we have no problems.

Lopez: We have no problem at all. For example, with your AID we have decided that we don’t need your help any more. You can use the funds for needy countries.

The President: We readily appreciate your cooperation. We have had other experiences where countries having no obvious need keep on asking. It gives us trouble with the Congress.

Lopez: We are going to get 40-50 percent more from our coffee exports. Why should we ask for aid?

The President: It is really a fine example and will be helpful.
Lopez: On coffee, we could get along with no agreement, but others want to go ahead with an agreement and we will go along. We will let Brazil use second-grade coffee to keep their quota. The same with sugar.

On the trade bill, we are not affected in any way, but we resent the treatment of Venezuela and Ecuador. I know it was not the Executive Branch that wanted this.

The President: We have been working hard to get that changed. I am convinced it was a mistake, because neither country supported the oil embargo. I don't think Congress knew what it was doing.

Kissinger: We are supporting the Green Amendment.

Lopez: I am having lunch with them. Is there anything I can do?

The President: I would tell them how Latin America feels about this. You can do this effectively because you aren’t affected. You can also point out that you are giving up aid and not going to blackmail your own coffee prices.

Lopez: I will do that. After all, coffee consumption is declining.

On the drug problem. It is a worldwide problem, but because of our situation, we are the center of traffic. I made a strong statement because the New York Times blamed us.

The President: They blame me for everything else!

Lopez: A small country like us is invaded by people with and without passports, by planes, boats, etc., heavily financed from within the U.S. We don't have the materials to fight back.

The President: How can we help?

Lopez: We could use technology and economic help. We could use helicopters to find where the planes land. We catch them all the time.

Kissinger: We gave $900,000 for that.
Lopez: It is too little. The tourists spend $50 million in Colombia. It has just gone up to $250 million. That is not tourists -- it is bribes, etc.

We have both a Pacific coast and an Atlantic coast which makes it ideal for smugglers. If you could help us to deal with them, we would appreciate it.

The President: We will do everything we can. It is a terrible problem for us and we want to do everything possible. Do you need technical people or money, both, or what?

Kissinger: I asked Brent to look into the possibility of helicopters. We have given them elsewhere.

The President: By all means, we will look into it. Are helicopters the best way?

Lopez: Yes, to locate airfields and boats.

The President: I would suggest you mention this in your meetings with the Congress. If they know you are working so hard to solve it, it will help us to get the money to help.

Lopez: The drug operators are worldwide. You can't deal with the problem by just dealing with it in the U.S.

The President: That is right. We have found that after the decline in drug use, but recently it has been on the rise again and with harder drugs.

Lopez: We can't control marijuana. We try to control traffic in it, but we concentrate on cocaine and heroin.

The President: Drug users account for a high quantity of crime in the U.S. Their demands are insatiable.

Lopez: Now let's discuss Panama -- [to Kissinger] your favorite subject.

[Laughter]

Torrijos came to see me a few days ago. [To Kissinger] Do you know him?
Kissinger: I have met him, a year ago.

Lopez: I am sorry to see your Embassy was attacked.

Kissinger: They are making a mistake. We are trying to get it done, but we have to say certain things. And it is terribly emotional in this country and we can't do it until the elections are over. Then we can sign in 1977.

Lopez: Let me be frank. Torrijos says the same thing, that he has to have something to show.

The President: We sent Bunker down there with a new position.

Kissinger: Yes, it was much more forthcoming. We did start with 50 years, though.

Lopez: They don't think so. Let me tell you, it is easier for a small country to negotiate with a big one than with one of equal size. I would rather negotiate with the Soviet Union than Panama.

I asked how they would defend the canal. They said they had thought of that and offered to let the U.S. in in case of aggression.

In the Canal Zone, they want to have full jurisdiction.

Kissinger: That they can get after the transition period. That is not the problem. The problem is about guerrilla action and the borderline between civil disturbance and guerrilla action.

Lopez: It is between action against third parties and action between Panamanians.

Kissinger: Yes. We do have the right to defend the Canal against third parties. We have asked for 50 years, but we can slip that.

Lopez: Do you need fourteen bases?

Kissinger: Look, we can maneuver so we can give up more, but if we have to do it all now and with publicity, the Congress will stop it. We must have time. We sent a different team down there and we found we can give up a lot. We can give up a little at a time so that over the
period they will get what they need. But we need to maneuver. The House just voted again to take away our ability to negotiate.

**The President:** That is right, and 32 senators sent me a letter against a treaty. They should know that a newly elected President can do a lot that I can't now.

**Lopez:** They misunderstood. I talked to Torrijos. I told him it is a conflict between the Executive and Congress and throwing stones at the American Embassy is not very helpful. If you could do something without negotiating.

**Kissinger:** Outside the discussions?

**Lopez:** Yes. Something you are not going to use.

**Kissinger:** You think that would help?

**Lopez:** Very much.

**Kissinger:** That I think we can do. Defense would go along with some of that. We had been holding it back for the negotiation, but we can do it now.

**Lopez:** The small things. Torrijos has his own enemies who say he is getting nowhere after a year. If he had something concrete, even small, it would help him.

**Kissinger:** We will look at it. We had decided against it in the NSC.

**The President:** Let's look into it.

**Kissinger:** I haven't looked at the Defense team report, but we can do something.

**The President:** If it would help them to get over into 1977 when we can settle it, we can do it.

**Lopez:** I don't want this conversation about the executive-Congressional relations to get out. I won't even mention this to Torrijos.

**Kissinger:** We can even make progress in negotiations. We just can't conclude them.
Lopez: I want to make clear I am not threatening. I am not the bearer of any threats.

The President: You will be very well received on the Hill. No threats, giving up aid, help on drugs.

Lopez: I don't want to say that without a treaty Panama could be another Vietnam.

Kissinger: If you could tell them, however, the attitude of all of Latin America, so then they understand just what the attitudes are.

The President: I didn't realize until I was preparing for you that Colombia had transit rights.

Lopez: Yes. The treaty of Thomson-Urrutia. We would negotiate with Panama after they got control. They are willing to give the U.S. the right of military intervention, but as allies, not unilaterally. What they don't like is the assertion of the right of intervention in the Canal Zone based on the treaty of 1903.

The President: One of our problems is the Americans who have been there so long. They are very emotional and they have great strength up on the Hill -- I don't know how.

Lopez: Over the next 18 months then, I will try to present the picture of the two of you working together and that things are moving along. Torrijos doesn't always follow my advice, but he listens to me.

The President: We were talking in the Blue Room about inflation. Colombia is doing better than we are, but we both are scared as we look around the world.

Lopez: One way we are doing it is to fight inflation by inflation -- we raise interest rates very high to sop up demand. It is working.

The President: Our big problem is fiscal. We do have interest rates high, but we are running a deficit of $60-80-90 billion.

Lopez: According to the World Bank, we made the most radical tax reform in the world. More so than Canada. We had a fiscal problem, but we have doubled the interest rates in one year. This is better than issuing more money.

[The meeting ended.]
I am very pleased to meet you and hear your views. We have already agreed, Gen. S., that
we know no other.

We have met, of course, at the Ad., in the
manner we have. We have always agreed, of course, that we don't
need your help any more; you can work on your own
side for your country.

We will oppose your campaign. We have had
other experiences where countries having no army
would keep an army, and no funds or (ap).

We are going to get our (ap) man for now.

I will talk to Gen. S. later, as we must find out.

We are really a fine country and will be helpful.

On our (ap), we could get along if we agree
but others want it to be clear. We will
agree. We will let Brazil come in and keep
their (ap). We will (ap) to keep them quiet. Some of them.

On the (ap), we won't affect your army,
but we report to Congress and Congress.

I think it was not a good

I was in a White House to get it changed.

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and that you went up and went
gong in Blackwood because I went
I didn't do that. Of course, I think
in electricity.
On the other hand, it is a world where they
but because of me not, we are planting
all the plants because my
the trees.
Do they blame me for everything else.
We can't really like we are supposed to
people who are supposed to plant, but it
actually found with people. We have
this method to plant here.
I am not sure we help.
2 We must not think, even really, we could
ever help to find those things that breed
them into time.
3 I like your way, even
1 It is to think. There is a great deal in Colorado.
it has been going to 250 miles. That is not
there isn't— it is later, etc. >
we have been on people + plants, want which
make it what for the people. If you and
helping all of them we would agree.
We will do everything we can. It is a great
Your friend & you want to know this for the idea
will take people + many other things. What?
I would ask. But is this not a possibility of help?
We have written themselves.

P Buy all miners, we will take with us as
which the best camp?
Yes, it brings comfort & fruits.

I honestly expect you to continue this in your

way & keep. If they know you working so

hard to come at, it will help me to get a

money to help.

The drug questions are weird with you not did

with & if you destroy it in your US.

We would be that, we have found that often

a club in drug use but mostly it has

shown me new again & healthy change.

We can control monies, we try to control

traffic in it, but we cannot control everone

within.

Drug users account for a high percentage

within US. Their demand is massive.

I have lots else to share - your favorite

report (5x).

Tenerife came to see me a few days ago. Do

you know him (5x)?

I have met him, a year ago.

I went to see him & discussed some stuff.

I found making a mistake was trying to get

it done, but we had to do certain things.

And it would succeed on this note &

we can do it till the time is over. Then

we can resign.

I had mentioned, Tenerife saw some things

that he has to have something then.

We went together down there with a man.
Yes, it was much more convenient. We did think it would be better.

They don't think so, but we will. We are asking for more money to support this big operation, and I would rather wait.

I asked them why they would defend Israel. They think they have a right to defend themselves.

Yes, we have a right to defend, and we can take some steps.

I think we can contemplate some or can give some time, but if we have to go to war, we will do it.

We must take time. We can't give them that.

And we feel that we can give a lot.

We can give a lot at a time. We don't want to make it difficult for them, but we need to know. The House just voted again to give money and stop the crisis.
I don't think it's 37 teaspoons but it's a little against a liquid. I really think that an
amount would I like to ask that I

A: They mentioned 37 teaspoons that

B: Is that 37 teaspoons? I think it's

C: Can you cut it out and put it in

D: Ice? I'm not sure if that's very

E: If you could do something with

F: Outside of school?

G: Yes. Something you can put it in

H: You think it would help.

I: Very much.

J: That's what I think we can do. We

K: The small thing. The big one

L: The small thing that's an overview

M: That's what I think we can do.

N: The small thing that's an overview.
KID: We can never make a big impression. We just can't control them.

LADY: I want to make a home. Don't think of me.

PIERCE: You will be very unwise on the whole. It will bring us great unhappiness.

I DON'T WANT TO SAY THAT WE OR A FEW PARENTS WOULD

KID: Give no indication that we understand what attitude was.

PIERCE: I didn't realize until I was growing for you that Columbia had current rights.

LADY: The treaty of Tiberias, we would resign to the powers upon the fact that they were not what they said. It was always difficult for me.

Pierce to me April 12 1903.

PIERCE: One person on earth is a man who has been there. Too long. They are very important things. I have great experience with one kid.

KID: Who?

PIERCE: One is talking this Blue Box about.

*GRUMBLE*
Economists during the 1960s and 1970s were much more uncertain of our ability to manage a world economy. Various economists argued that countries must reallocate existing capital to meet rising demand. It is uncertain.

P Our big problem is finding how to meet that deficit at a high rate of interest. One way is to run a deficit of 40-70 billion.

1 According to World Bank, we made a mid century economic and financial mess. Now we have made a crisis. We had a financial mess, but we have created another one in 1974. This is further evidence of more many.