

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~SECRET~~/SENSITIVE/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
Valery Giscard d'Estaing, President of
the French Republic
Dr. Henry A. Kissinger, Secretary of State
Jean Sauvagnargues, Minister of Foreign Affairs
Brent Scowcroft, Assistant to the President
for National Security Affairs

DATE AND TIME: Monday, May 17, 1976
11:05 a.m. - 1:00 p.m.

PLACE: The Oval Office

SUBJECTS: European Communists; African Fund;
Rambouillet II; Nuclear Non-proliferation

[During and after the press photo session, there was small talk about the President's campaign speaking.]

President Ford: We are delighted to have you here and I am delighted that you have brought Mrs. Giscard with you. I am especially looking forward to [the light and sound show at] Mt. Vernon. Mrs. Ford has long been an advocate of it and has wanted the Capitol to do it.

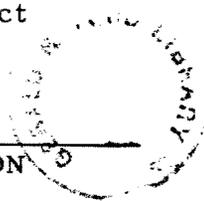
Kissinger: The most impressive one I have seen is a French one at the Temple of Karnak at Luxor.

President Giscard: I think this visit is an important one for emotional reasons. I think the reaffirmation of the spirit of liberty and democracy is especially significant now. We need to instill a sense of confidence in our people. Our press stories about this trip have been very good in this respect. There has in recent decades been a general neglect

DECLASSIFIED
E.O. 12958, SEC. 3.5
NSC MEMO, 11/2/00, STATE DEPT. GUIDELINES, State Dep. inv. 3/12/04
BY llk, MAPA, DATE 1/26/04

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of thought given to these things. I hope we can help in this respect and help to promote understanding of present realities.

Take the problem of communism in Western Europe. People write of France and Italy as similar yet that is not at all true. Communism in Italy is and has been a large party and the threat is real. In France, it is about twenty percent; it is not a real threat, and it is declining if we proceed properly.

President Ford: We are now subject to the same misperceptions. My opponent is contributing to that misinterpretation with his irresponsibility. [Some discussion of the campaigns, Republican and Democratic.]

The Democratic convention may be a brutal one, because Carter may not have a majority.

President Giscard: Your elections are interesting. Your campaigns are more to the right, so the left moves more to the center. The right refuses to move to the center, so the general tendency is a shift of the whole spectrum to the center-right.

Kissinger: And after the elections, the spectrum will move back left and we will have more trouble with the defense budget.

President Ford: We have had the best year ever on defense budgets.

President Giscard: What has happened in the past few months? You are being criticized for a lack of decision in foreign policy when that is what has been imposed on you.

President Ford: We put on a massive effort on the defense budget, and the political campaign has also helped.

Kissinger: It is interesting that in January Carter advocated a 5% cut. I think it is a combination of Angola, the intelligence investigation, Vietnam, and so on, with Angola being a crucial element.

President Ford: I think if Angola took place today we would have a different result. Congressional attitudes are changing. There is a better understanding developing. Our treaty with Spain is not encountering

real difficulty. We are still having problems with the Greek-Turkish impasse over Cyprus. Overall support for NATO is healthier than for some time. I think that is a reflection of our relationships and our own bilateral relations with Germany and Great Britain. Italy is a problem.

President Giscard: The Christian Democrats may lose, because of their corruption. But the Church is active now for the first time and there are other factors, so it is hard to predict. Communists in government will create real problems in Europe. Schmidt publicly has been a little ambiguous on this.

Kissinger: I think it is because of what the Christian Democrats would say about a Socialist-Communist alliance. They would be attempting to turn it against the SPD for the election.

President Giscard: Yes. We have had discussions with the Germans. They have been giving advice to everyone about how to do things -- because of their economic success. We sent word to them and Schmidt said he may have overdone it a bit because of the campaign.

If there are Communists in government in Italy, there will be problems in the economy. They will have to modify the structure of their economy. I think we should make our views known about the risks and our concerns, but with respect for the Italians' right to free choice.

The Italians may have to take measures which will destroy the European Community. They will have to cut imports and we can't have them cutting imports and competing with us in the market. So there will be protectionist moves.

Kissinger: Would you say this before the election?

President Giscard: I have started saying it already, but not to influence the Italian vote. They are like the French and will vote for domestic reasons. I don't think we can affect the voters, but we should point out some of the consequences. What we say about the fact of Communist participation in NATO, is fairly obvious and is broadly perceived. There should be no objection to that.

Kissinger: If they come in, we will be under strong domestic pressure to get along. That would be a precedent for Spain, Portugal, etc. We would have to make some adjustments in our relations.

President Ford: The liberals will press, but the conservatives will support firm action.

Kissinger: The United States, over the long run, will not stay in Europe if several European powers bring Communists in.

President Giscard: Our attitude, I think, will be similar -- no support. We should not look as if we were trying to crush the Italian Government, but find a line of no support. We will try to cooperate with Germany to stay on the same line. That will be difficult because of Brandt, who will be soft. Schmidt will thus be put in a difficult position. If, for example, we have another Rambouillet meeting and don't invite them.

President Ford: On the general issue of North-South relations, we approve your statement in Nairobi and your reception of Secretary Kissinger last week.

President Giscard: We were pleased with Secretary Kissinger's assessment of Africa. It is of course possible to do nothing, but people are expecting action and the Africans have felt "obliged" to ask for Soviet support. Most of them are not Communists and they would be gratified by large Western support for development. They get support but through such complicated channels that it has no political impact. Like the World Bank. What we should do is to join in a few countries in a Marshall Plan with a clear political commitment. It would not have an explicit political meaning so as not to divide Africa, but it would be apparent through the groupings. The problem will be the British. They have domestic problems and their attitude toward Africa is complex.

Kissinger: President Giscard has asked me to raise it with Crosland.

President Ford: We have been distressed at the scattered approach thus far. Joining, as you suggest, to cooperate together is far superior to doing it each on his own.

Kissinger: Have you had a response?



President Giscard: Yes, it is enthusiastic. The difficult point is the British. They are being a bit difficult, and upset because we didn't notify them in advance. The next issue is the matter of timing.

President Ford: Henry, you will see the British this week.

Kissinger: I would think if the President [Giscard] would call for a conference, it could be managed -- perhaps July or early August. We need to get moving to show activity and retard the move toward radicalism there.

President Giscard: It is not enough just to coordinate over aid. We must have a special fund which can move quickly. I am thinking it must be about 2 billion a year or 1 1/2 billion. Certainly more than 1/2 billion.

President Ford: Except for the right wing, the reaction to Henry's trip has been very positive.

Sauvagnargues: In the Marshall Plan, we had a committee including the recipients. That would look less patronizing.

Kissinger: Who would be invited?

President Giscard: The Francophone countries in the west, Kenya, Zambia, Zaire.

Kissinger: How about Nigeria? If we have just moderates and it succeeds, it will attract the others, whereas if we start out with the radicals they may try to scuttle it.

President Giscard: Nigeria doesn't belong to a group and doesn't really need the help.

Kissinger: Tanzania is a problem. He was a real help in restricting help to the Rhodesian rebels. But this is a detail we can work out. The concept is brilliant.

President Giscard: Perhaps we would have a preliminary conference in July. Then a joint conference of donors and recipients.



Kissinger: If it was an exploratory conference, you could select the participants without too much trouble. Given the situation in Africa, a certain speed is essential.

I have no fixed view on Tanzania. But if we could get Zambia as the representative of the confrontationists . . .

President Giscard: [Story about Nyerere.] We must have a device to keep some countries out.

Kissinger: Mozambique won't be a problem. Nigeria and Tanzania may be.

President Giscard: It is important to have countries who would be enthusiastic. It can be expanded later as the situation changes.

What are the topics you want to discuss tomorrow?

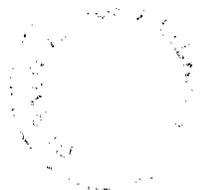
President Ford: One subject I want to bring up is on nuclear cooperation. [Describes the nuclear testing.]

Kissinger: But please don't approach the Pentagon until we give the word.

President Ford: I also wanted to tell you that the American reaction to Rambouillet I was highly positive. We discussed there the possibility of a follow-up meeting. As you know, George Shultz has taken soundings for another meeting in late June or July. There have been economic developments and many developments in Europe that we should discuss. I think it would be very helpful and I would hope for your support.

President Giscard: I have no objections in principle. I think we can discuss it in more detail tomorrow. I think it is important to have results if we have a meeting. It is not apparent to me what results we could announce. We can't have Italy the only subject. We could discuss the recovery which is underway, and measures against inflation. But I am not sure if those are dramatic enough for a meeting.

One other point is nuclear dissemination. I don't want France to discriminate against other countries yet. We are not interested in being the vehicle of nuclear dissemination.



The Shah has been at us on reprocessing plants.

Kissinger: The first thing is what you and the President believe. The second is what the Congress might do. And if, heaven forbid, Carter were to get in, there might be sharp changes if we have not before set out some guidelines.

President Ford: Let's discuss this more tomorrow. We could also discuss trade. As you know I have been under great domestic pressure. I said at Rambouillet I that I would resist, and I have. [He described shoes, steel, etc.) Any ideas you have I would welcome.

President Giscard: We should discuss Lebanon also.

Kissinger: There is one point there I want to make. We are afraid Frangieh is using your sending your special emissary as an excuse for not resigning.

President Giscard: That is not at all our intention. He is to see Sarkis. We will clarify this.

President Ford: One other point is on the computer you requested. We have an internal problem with IBM that we must sort out, but I have made the decision.

President Giscard: If we are asked about the treatment of the Concorde in the United States. I will say that it has been fairly handled.



✓ P/Giscard
17 May 75

(Small talk about P campaigning speaking
during + after press photos)

P Delighted to have you here + Mrs G. w/
you. Deep looking forward to see Vernon
Mrs Ford has been an advocate of
it + has wanted - Legat to do it.

R The most impressive one I have seen
is a French one at Temple of Karnak
at home.

G I think the result is an important emotional
one. I think the reaffirmation of a spirit
of liberty + democracy is very new. We need
to instill a sense of respect in people.
Our press starts about this trip have been
to my good in this respect. There has
in recent weeks been a great neglect of
the that given to ~~the~~ these things. I hope
we can ~~do~~ help in this respect + in
understanding of present realities. Take China
in East. People write of Fr + Italy as similar
yet that not at all true. China in Italy
is + has been large + the threat is real.
In Fr, it is about 20%, is not a real
threat + is declining if not passed properly.

P We are now subject to some misapprehensions.
My opponent is contributing to that ~~misapprehension~~
misinterpretation of his incomp.

(Some discussion of P Campaign - Reports
+ News)

The Denver convention may be a balanced
one, since Carter ~~not~~ may not have
a majority.



ambiguities on this

K I think it because of what C.D.'s would say about the Soc - East Alliance. They would be attempting to turn it against a ~~SPD~~ SPD for a election.

G Yes, I ~~had~~ to we have had discussions w/ C. G. ... They have been giving advice to Europe about how to do things - because of their own success. We sent word to them + Schmidt said he may have overheard it at last because of a conspiracy.

If there are cuts in Italy, there will be problems in a country. They will have to modify a structure of their economy. I think we should express our views however about a crisis + our concern, but with respect for a Italian right to free choice.

The Italian may have to take measures which will destroy E.C. They will have to put in a law that have them cutting in + competing w/ us in a market. So there will be protectionist moves, etc.

R Would you say this before a election?

G I should already, but not to influence a Italian vote. They are like a Fr + will vote for domestic classes. I don't think we can affect ~~that~~ a vote, but we should point out some of our experiences. What we say about a fact of last participation, in Nato, is fairly obvious + is broadly planned. There should be no objection to that.

R If they come in, we will be under strong domestic pressure to get along. That will be

present for Spain, Port, etc. We would have
to make some adjustments in our relations.

P The hands will pass, but conservatives will
support firm action.

K The US, over long run, will not stay in EEC
if ~~the~~ several European countries bring hearts in.

G Our attitude I think will be similar - no
support. We should not back as is we were trying
to crush it. Great, but find a line of no
support. We will try to keep w/over to stay
on same side. That will be diff. because
of Brandt, who will be soft. Schmidt will
also be put in diff. position. If, for example
w/ some motion from unity & don't meet them.

P One - good issue of N-S relations, we agree
your statement in Harari & your meeting
of K last week.

G We were pleased w/ K assessment of Africa. It
is of course possible to do nothing, but
people are expecting action & Africans have
felt "obliged" to ask for our support. Most
of them are not united & they would be gratified
by large Western support for development. They
get support, but there seem complicated channels
It has no political impact. (World bank, etc)
What we should do is to join in a few
countries ~~as in a Marshall Plan~~ w/ a clear
political content but an explicit political meaning
as not to divide Africa, but it would be
opponent than the groupings. The prob will
be a bit. They have diverse interests & their
attitudes toward Africa is complex.

H G has asked me to review w/ Crawford

P We have been interested in a scattered approach thus far. joining as you suggest to crop together is far superior to doing it each on his own.

K How you had a response?

G Yes, it is enthusiastic. The big point is the. They are being a bit shy, & expect because we didn't notify them in advance. The next issue is a matter of timing.

P K, you will see the for this week

K I could think if a P(G) would call for a brief, it could be managed - perhaps July or early Aug. We need to get moving to show activity & attend a move toward inclusion there.

G It is not easy just to word our aid. We must have a specific fund which can be managed fruitfully. I think it must be about 2 bil/year or 1 1/2 bil. Certainly more than 1/2 bil.

P Except for a slight reaction to K trip has been very positive.

Sam. In Marshall plan, we had a crate incl recipients. That would look less patronizing.

K Who would be invited.

G The Francophone countries in a west, Kenya, Zambia, Zaire.

K How about Nigeria? If we have first investments & it succeeds it will attract others, unless if we start out w/ subsidies they may try to scuttles it.

G Nigeria doesn't belong to a group & doesn't really need a help.

K Tanzania is a problem. He was a real help in whitening

helps a Khol. - Ubb. But this is a detail we can work out. The concept is brilliant.

G Perhaps a prelim conf in July. Then a joint conf. of donors + map.

K If it was an x-planetary conf, you could select a particular set of donors, from a set in Africa, a certain speed is essential.

There is no fixed limit on Tanzania. But if we could get Zambia as a rep. of imperatorists.

G (Strongly about Nigeria). We must have a device to keep some countries out

K That arrangement would be a poor Nigeria + Tanzania way be.

G It is important to have countries who would be enthused. It can be expanded later as a set of days.

What are the topics you want to discuss tomorrow.

P One subject doesn't to bring up is an issue every.

(Describes a more material history)

K But please don't approach Pentagon till we give a word

P I also wanted to tell you a US reaction to Kam I was highly positive. We discussed them a good deal for getting up with. As you know, Schultz has taken soundings for meeting in late June or July. There have been some delays + delays in Essex. I think that would be very helpful + would hope for support.

G There are objections in principle. I think it is on basis in more detail tomorrow. I think it is important to have results if we have



only it not apparent to me what results we could announce. We can't have study early subject. We could discuss recovery ^{point} ~~point~~ to ~~some way~~, measures against inflation, but I don't see if that that dramatic enough. One other point is more dissemination. I don't want to discriminate again if other countries get us not interested in being a vehicle of more dissemination.

The shock has been at us as expressing plans.

K. The 1st thing is what you are plus behind. The 2nd is what a Congress might do. And if, however far back, Carter were to get in, there might be sharp change if we have not before set out some guidelines.

P. Let's discuss more tomorrow. We could also discuss trade. As you know ~~we~~ have been under great domestic pressure. I said at Rome I would resist + I have. (Described shows, steel, etc) Any ideas you have I would welcome.

G. We should discuss this one also.

K. One point there. We fear Fragile is using your sending you the message as an excuse for not resigning.

G. That is not at all our intention. He is to see Sackis. We will clarify.

P. One other point is on computer you requested. We have an internal ~~for~~ ~~with~~ ~~FBI~~ ~~and~~ ~~not~~ ~~send~~ ~~out~~, but I have made a decision.

G. If you are asked about treatment of Germany in the US, I will say that it has been fairly handled.

~~Press on Germany a former~~



Continuation of discussion on which
variety of methods branching + further
improving relations

→ Africa in the world
Analysis of line sites at Ken
~~CS~~

Review of E-W relations

N-S distribution of emphasis on Africa

Call Mr Goff

- meet w/ SA about.
- working w/ Voster
- trip essential to lay
- stage further

