

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

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AUTHORITY state dept. review 3/13/04

MEMORANDUM OF CONVERSATION

BY dal NLF, DATE 7/24/07

PARTICIPANTS: President Ford
Amb. Ali Alireza, Saudi Ambassador to the
United States
Brent Scowcroft, Assistant to the President
for National Security Affairs

DATE AND TIME: Monday, November 29, 1976
9:58 - 10:37 a.m.

PLACE: The Oval Office



President: It's not very pleasant weather.

Alireza: I rather like it. We are deprived of rain in Saudi Arabia so I appreciate it.

President: First, I appreciate your delaying your trip to meet with me. I wanted to consult with you about an issue that is of importance to us all. It's not a partisan political issue in this country but a problem of general concern. When Governor Carter was here we discussed it and we are in general agreement on the problem of oil prices.

You were here when I had that good talk with Prince Saud last Fall, so I don't need to describe the discussion we had at that time.

We have been communicating with other governments on this issue and will continue to do so. I am gravely concerned about the world economic situation and the possible impact of an increase in oil prices. I noticed that President Perez visited Moscow where it was announced there was a friendship agreement and that Soviet leaders would visit Venezuela. I am deeply worried about the economic situation both in the more industrial states and in the less developed countries, which are very vulnerable. In Portugal we have been working hard to get a moderate government operating and eliminate Communist influence. A deterioration

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in this economic situation could reverse the progress we have made. In Italy also there are grave economic problems, which if the present government can't solve, it will undoubtedly bring Communists into the government. Great Britain is now trying to negotiate an IMF loan to stabilize its currency. While it is not directly related, the Australians have just devalued....

I think our two countries have been working together against the expansion of Soviet and Communist influence and I wanted to talk about what we might be able to do in this situation.

I don't need to tell you my feelings for Saudi Arabia over the many years. I have fought hard for Saudi Arabia and supported the closest of relations between us. I fought against irresponsible actions on the boycott on the part of the Congress. I will continue to do so because our aims and objectives are identical. I will continue to do so even after I leave office. But it is difficult when the American people see a price increase which does such damage around the world. I want to help, but when my economists tell me of the jeopardy a price increase could put the world economy recovery in, I want to work with you to deal with this problem.

Soviet influence in the Middle East has been much reduced, but a change in attitude in the United States could also jeopardize that. We want to continue working for peace in the Middle East, but any sharp action by OPEC will make it harder to move toward peace.

I know it is a very difficult problem for the King and I know he is working toward our common goal, but I hope you will communicate to him my deep concern about the economic and political difficulties we face. Again, I am sorry I had to delay your trip.

Alireza: Mr. President, it is always a privilege to be able to meet with you and convey your views to my King.

My government has spent about 10 percent of its wealth in helping other countries around the world. Prince Saud has told me to tell you that we are still doing everything we can, but one thing has changed -- demand has now outrun supply. But the problem is political not economic. We will do everything we can without breaking OPEC. But if you could bring pressure on other members it would be helpful. If through your good office you can persuade other producers....



President: I plan to meet with others of your colleagues.

Alireza: Tomorrow the pilgrimage begins and the King plans to meet at Mecca to discuss this issue.

As far as Great Britain, Italy, and the other countries you mentioned are concerned, we have done what we could through loans and other measures.

President: You have been very responsible.

Alireza: As far as the Communists and the Soviet Union are concerned, you know our position and I need not repeat it. We greatly appreciate your fight on the Maverick and the boycott with the Congress.

President: I have spoken with my successor on this and urged that he oppose further legislation. Notwithstanding his campaign rhetoric, he indicated his position would be responsible.

Alireza: Secretary Kissinger has spoken with me and Ambassador Zahedi, and Deputy Secretary Robinson spoke to me. We understand your message. But again I would urge your intervention with other producers.

President: We shall do so. We have the prospect of a substantial world economic recovery right now, but it is very fragile in a number of areas and I am afraid it could be destroyed.

Alireza: We have been hit hard by inflation in industrial prices.

President: I agree. But we are making progress in that regard, but it takes time. I also appreciate your responsible leadership on Lebanon, such as at the Riyadh conference. I think there is real progress now, thanks to your leadership.

Alireza: I hope you can restrain the neighbor to the south. Without the Syrian troops in the area, the guerrillas will have free rein.

President: We are working with the Israelis on that point and I am hopeful that the Lebanese situation can be resolved.

Alireza: We are grateful for your leadership over your term of office. As you know, the Saud family has for years led the fight against Communism. We are fortunate to have them leading our country. [More discussion on these lines.]



President: We are very grateful for that leadership. I will impress on my successor the importance of our two countries working together for our common objectives.

Alireza: You are not only head of the United States, but the leader of one of the two great powers in the world. We look to you to lead us in the fight against radicalism and leftist influence.

President: Please convey my greetings to King Khalid. Please assure him of my warm regards and my hope that we can continue to work together to meet these problems.

Alireza: It is never an imposition for me to discuss with you on behalf of my government. I am always at your disposal.

President: I hope you have a good trip. I think the new Mexican President is a good man. I met with him last September.

Alireza: Their currency is in trouble right now.

President: They have problems but I think with half a chance the new President will do well.

[The conversation ended.]



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NATIONAL ARCHIVES AND RECORDS ADMINISTRATION
Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 018472

REASON FOR WITHDRAWAL National security restriction

TYPE OF MATERIAL Note

DESCRIPTION Brent Scowcroft's handwritten notes
from Ford's meeting with Ambassador
Alireza

CREATION DATE 11/29/1976

VOLUME 6 pages

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Conversations

BOX NUMBER 21

FOLDER TITLE November 29, 1976 - Ford, Saudi
Ambassador Ali Alireza

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