MEMORANDUM

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Ardeshir Zahedi, Ambassador of Iran
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: Wednesday, August 21, 1974; 12:35 - 12:40 p.m.

PLACE: The Oval Office
The White House

[The press was admitted briefly]

President Ford: The orchids you sent to Mrs. Ford are beautiful.

Zahedi: They express our feelings.

[The press is ushered out]

Zahedi: I want to express our sadness about Rodger Davies. We share
your sorrow and we are all shocked. I have lost a personal friend with
whom I worked closely during the Mideast hostilities.

President Ford: I participated with the Secretary in the ceremony. It is
a tragedy, with a daughter 20 and a son 16.

Kissinger: He had worked so hard here, we sent him to Cyprus for a
rest really.

President Ford: Is it nice?

Kissinger: Beautiful. Many Foreign Service Officers buy land there.

Zahedi: It is really so sad. I sent my whole embassy to the airport. I,
of course, couldn't go.
I was very pleased with the Rockefeller appointment. We have very close contacts with the Rockefellers. David is setting up a bank branch in Tehran. Our Minister of Finance and Minister of Economics -- he wears two hats -- is coming here to set up a joint commission.

I am glad Secretary Kissinger is heading your side rather than Simon. [laughter].

Kissinger: They don't care about me -- just so long as it is not Simon.

Zahedi: At the first one he talked to me but said he couldn't wait and went ahead and announced.

President Ford: The reaction to Rockefeller has been great. Even the Goldberg was not vitriolic. I know him well and we complement each other. He really seemed gung ho.

Kissinger: I never saw him so happy. He just wants to serve.

President Ford: He called Betty and me late last night. Happy is coming here Thursday. Betty is having her for lunch and we'll have him for that dinner I told you about.

Zahedi: I have been talking to our Ambassadors in Paris and London, and also His Majesty's feeling was excellent. He knows Iran and we have close relationship with Iran.

President Ford: I hope in the not too distant future I can get to meet the Shah. I like to deal on a personal basis.

Zahedi: I agree. Anything I can do to assist in that. The U.S. holds the highest place in his heart. It has always been so. The U.S. has helped when we needed it, without strings. We remember those days -- as I will say in an address at Kent University. So many forget all that the U.S. has done.

President: That is very useful. In Middle America they don't always appreciate foreign aid, and it helps to hear foreigners express this.

Zahedi: I will do it. I will also be in Southern California where I am going to present a check for $1 million.

Kissinger: The Shah has always been our best friend. Last fall several countries permitted Soviet overflights. One Israeli Minister did and he was promptly so tried.
Zahedi: The oil problem -- there is one. I want to do what I can. Jamieson had a good talk and lunch with the Shah. A minor problem is participation with Saudi Arabia. 60/40 and what they pay for participation. It should be at 93% of the posted price -- $10 something. Some countries want to do away with the posted price. We get $7 for our particular oil and Saudi Arabia and others get $10.

Kissinger: The basic point is that these prices are complicated. The Shah's view is he gets 15% less on buy-back oil than the Saudis. Iran is tied to the price of oil, but Saudi Arabia can maneuver around and vary the participation.

Zahedi: I will work on it and we want to help and we understand the problem.

President: Please express to the Shah my deep appreciation for this attitude.

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2: They gave me feelings.

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P: I tried to enjoy the evening. I'm writing to a friend.

R: He had wanted to hand in, we sent him by express for a rest weekly.

P: & it was?

K: Beautiful. Wasn't E. C. O.'s land there.

Z: Really to sad. Sent my cloth umb. to anyone.

R: You can't see.

R: They yelled at me after our dinner. I was the only one left.

R: There's a lot of trouble here.

P: Her call to Betty was great. I mean Gold.

K: He called Betty and told last night. Was very sad.
1. I am regretful to have our bag be brought into the store. I have tried to price it out, but it seems unreasonable and improper participation.

2. I will write in it a note that I have understood a part.

1. Please express to whom my bag appears for.

Yours affectionately.