

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~SECRET/SENSITIVE~~

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.

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~~TOP SECRET~~ XGDS (3)
 CLASSIFIED BY: HENRY A. KISSINGER

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.

* * * *



Transcribed

P/Zahedi/K

21 Aug 74

12:35 - 12:40

P P/Zahedi
Pockets you sent me are beautiful

Z They express our feelings

Present → Want to express our salutes about Roger Dennis. We
threw you flowers & we are shocked.
I have lost a personal friend w/ whom I worked
closely during ME host. (Gene Altie)

P I practice w/ Sly in evening. Trophy w/ a Mustang
22 & a ZM 14.

K He had worked so hard here, we start here to express
for a rest walky.

P Is it nice?

K Beautiful. Many FSO's long hard there.

Z Really so sad. Sent my whole love. & express
I of course couldn't go.

Very pleased w/ Rock appt. We ~~are~~ have very close
contacts w/ Rocks. David getting my Bank book
in Tehran. One Min Fin + Min - (what) coming
here to set up joint emen.

Glad K ~~is~~ breaking over with rather than Simon

K Don't care about me - just so long as not Simon

(out of contact)

Z ^{at} office, 1st one he talked to me but said he couldn't
wait & went ahead & announced

P Reaction to Rock has been great. Even Gold.
not intricate. I know him well & we complement
each other. It really suited my ho.

K Now seem so happy. He just wants to
send

P He called Betty & me late last night. Happy



coming down I know. Betty being here for lunch & see
him for that dinner I told you about.

Z Talking to our Amb in Paris & London & about
NUE feeling was excellent. H & knows Iran &
we have close relationship w/ Iran

P Hope in next treaty future can get a secret book
with to deal on personal basis.

Z Say anything I can do to assist in that
US highest place in his heart. It has always
been so. US has helped when we needed w/o
string. We remember those days - as DeWitt
say in address at Kent Univ. So many forget
all that US has done.

P Very simple. In middle American they don't
always appear. foreign oil & helps to have foreign
energy.

Z DeWitt de it. Also in S. Cal when I going to present
check for 1 mil

K Shoh has always been our best friend. last fall,
several countries permitted for overflight. One
I minute did & was promptly sorted.

Z Oil problem - there is one. I want to do what I
can. Jamison had general talk & lunch w/ Shoh.
Main prob. is participation w/ SA. 60/90 & what
they pay for participation - should be at 25% of total
price - 10 something. Some countries want to do
away w/ total price. We get 7% for our
partic oil & SA & others get 10.

K Basic point - these prices are unprofitable. Shoh's view



is he gets 15% but on long - back out those Sambo.
I am is tied to price fall, but SA can maneuver
around + every participation (2).

2 I will work on it & we want to help our
ambassadors & work.

1 Please X pass to Shab my best regards for
this attach.

