MEMORANDUM OF CONVERSATION

PARTICIPANTS:

President Ford  
Dr. Henry A. Kissinger, Secretary of State and Assistant to the President for National Security Affairs  
Wells Stabler, Ambassador to Spain (briefly)  
Lt. General Brent Scowcroft, Deputy Assistant to the President for National Security Affairs

DATE AND TIME:
Tuesday, March 4, 1975  
9:55 - 10:33 a.m.

PLACE:
The Oval Office

[Ambassador Stabler came in briefly. The President spoke of the importance of Spain. Stabler left at 10:00 a.m. The conversation continued on other subjects.]

Kissinger: The Iranian stuff is going very well. We have agreed on a $12.5 billion program over five years -- this is non-military. There will be military purchases as well. Six billion for nuclear development, five billion for port facilities, 2.5 billion for agriculture. In addition, they will sell 500,000-750,000 barrels per day below OPEC price and tied to military purchases. The other program we can announce in principle, to be signed while the Shah is here. The oil deal will bring pressure on the price structure, because the purchasers will have to find where else to make a cut of that size. In view of what the French did on the invitation, it would be crazy for us not to go forward on things like this.

The President: When can we announce this?

Kissinger: We can't. They first want to sell a certain amount of oil to us. We can then cut wherever we want and they can raise production.
It must either produce price cuts or further cutbacks. But the $12.5 billion can be announced today. What they want is to announce the oil deal and further purchases together. I don't think they realize what they are doing. Algeria has already cut production by two million barrels. They can't cut further. Our joint commissions are pushing the producers into big development programs, for which they will need the additional oil production.

You should tell Ansary... We shouldn't haggle over the price so long as it is below the OPEC price. The key thing is that the production is coming out of someone else's hide. We may have broken OPEC, or will have if we can make one more deal like this. Maybe it's too fast, because we need to get our system in place first.

They will buy other things with the $1.5-to-2 billion in receipts for the oil deal. The money will never leave the United States.

The President: Congratulations. I think that is great.

Kissinger: If we can get the same with the Saudis, it will be great.

The President: The announcement today will have a good impact on Congress.

Kissinger: The Saudis have reacted strongly to what they think is an anti-Saudi campaign in the American press. Could we draft a letter to Faisal to reassure him?

The President: Sure.

Kissinger: It is unconscionable what the pressure groups in this country are doing.

I talked to Kennedy. I told him they are creating a disaster in foreign policy. He doesn't think we have the votes on Turkish aid in the Senate. We should check with Mansfield before we commit to vote.

[The President reads about our negotiating efforts in Cambodia in 1973.]

The President: How much has been released?
Kissinger: None of the 1973 stuff. But we can give it to some of the key Congressmen. Some of my people are opposed to putting it out -- it will embarrass some of the governments.

The President: I think we have to get the record out.

Speaking of Thailand, what is the significance of their withdrawal announcement?

Kissinger: DOD is playing games. It is inevitable that once they saw us pulling out they would want to get ahead of us. Also, they have decided we have had it in Southeast Asia.

The President: I thought he was pro-American.

Kissinger: He may just be saying this, but the trend is inevitable. There is too much tendency in the government to pay off Congress for short-term gains at the expense of our long-term goals. But with Cambodia falling, the Thais would be a shaky country in any case. As foreign governments look at us and our decline in our world position, the process will be accelerated. The Nutter article was good. It is a moral and political disaster. We are talking only money -- people are urging a disaster. What the Syrians have done is line up the Palestinians saying now if Egypt moves alone, the Palestinians will attack Sadat. A letter from you is essential, but if it surfaces, it will make a stink with the Jews.

The President: How specific can we be? Does that contradict our promise not to force them off the Golan?

Kissinger: No. Just promise a major effort. The promise is important -- but Nixon did promise the '67 borders to the Syrians. If Israel was smart, they would talk with the Syrians, move it to Geneva and let it get screwed up.

The President: I told Dinitz they shouldn't negotiate in public.

Kissinger: The Israelis are irresponsible. Anti-Semitism is bubbling. The press campaign against the Saudis is disastrous.

The President: What about Church and Pearson?
Kissinger: We have to tell them it has to be sufficient, that we shouldn't discriminate against them for economic aid, and that they would have to be eligible for FMS. Church will never agree.

The President: He is worried about wiretaps when we are piling up information about where the oil companies are investing. He is signing authorizations but I am worried about Church.
Stake in P talk of agriculture 1

1. The + owner stiffening my will. Agency on
12.5 dark prog over 5 days now and would purchase
4 weeks. 6 hit away. Did not press 25 hal is.
In addition, they will sell 5 X 5600. Other than
delay, our price is tied to oil prices. Therefore
prog can announce in principle, it be signed
while check is here. The oil will bring pressure
on price structure because the program will have
the price close to a dollar that says. Eventually
action for oil can mandate it be very frequent
to increase forward oil to this.

P When announce this?

2. We can't. They just want to sell a certain amount
forward to us. We can then cut whereas we wait
to they can forward them, I want with price
rates to further outlook. But 12.5 bid can
be annulled by 10th what we want to announce
and other forward purchases together.

I don't think they realize what making a promise
has already set part is bad. They can't
forward. Our joint reasons are pushing production
with big elongated targets in which they will
make added oil production

You should still thinking more. We shouldn't
talk anymore price figure of it below.

1. The key this is is for abroad to come
out of - some other issues. We may have taken
Oil price with how if we can make our side
different. Though too fast from our and need to get
our system in place 1st.
K. They would buy other things at 10-20% cheaper price for 50% less. The $ will make them use less.

P. Congrat. I think that is great.

K. We can get 15% more & Sandie will be great.

P. Congress will help, will help political way.

K. Sandie had started already & asked what they think.

Sandie had started already & asked what they think
in anti-Sandie campaign in US press. Sandie
oughts a little & wanted to negotiate him?

P. Sure.

K. It announced what a person joins in this country are doing.

1. *

K. Carter & Kennedy. Told him they wanted the support
in F.P. He didn't think we have a strong stand.
and in Sandie. Should just CLF/Pennfield
was we remain with.

(Could help efforts in Cambodia in 73.)

P. How much needed?

K. Maybe 75. But give it to someone they impress
Some of same people are afraid, putting stand. sandem
something else.

P. I think we have to get it herself.

Speaking on Thailand, what is right of additional amount
$ 100 (100=rk). It shouldn't that some say some no
purchasing. That we want to give them help. Also,
they have decided how to help it in E.A.

P. Should he run for US.

K. He was just to saying this. But I think it absolute.
There is be sandie candidacy for sure to pay off. They
for those years of support from long time goals. But of Cambodia fighting. There would
be something in any case.
As foreign policy looks of regard are decided in some world position, a process will be accelerated. While entirely good, it is a matter related to our talking with ceux who have strong positions.

What Europe has done is made up against a strong move of our world. This will attack Soviet subjects from our own position, but if it happens, it will make a strong use force.

What specific? Does that constitute our power and to force them? The Core?

K: No, just prepare a major effort. The process is important, but not one process at a time to Europe. If we can think, there would talk of Syrings, more cost, because it's not ascending.

P: I still don't see they wouldn't be shared in public.

K: The Core recognizes the Anti-Semites do nothing, the plus campaign against Scam to education.

P: President Church/Peron?

K: We have to tell them it has to be significant, that we should discriminate against them for religious, that they would have to be eligible for this Church will manage.

P: I don't recommend that without when we are facing any significant where all consequences. Considering the top element, with this now, now that been occurred throughout any part.