MEMORANDUM

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS: President Ford
Hushang Ansari, Minister of Economics and Finance of Iran
Dr. Henry A. Kissinger, Secretary of State and Assistant to the President for National Security Affairs
Ardeshir Zahedi, Ambassador of Iran
Charles Robinson, Under Secretary of State for Economic Affairs
Lt. General Brent Scowcroft, Deputy Assistant to the President for National Security Affairs

DATE & TIME: Tuesday - March 4, 1975
12:00 noon

PLACE: The Oval Office

President: It is a real pleasure to see you. Secretary Kissinger gave me excellent reports of the work of the Commission. I want to compliment you for coming forth with these results which are of benefit to both our countries.

Ansari: Thank you very much. I want to thank you not only for the results of our meeting, but Dr. Kissinger has been most constructive in encouraging the development of constructive efforts. It has really been most heartening.

Kissinger: Minister Ansari described to me when I was in Tehran the overall development program of Iran. By 1983 they hope to reach the standard of living of Western Europe.

Ansari: We hope for a GNP of $193 billion by 1983 which would compare favorably with Europe.
President: What is the population of Iran?

Ansari: It will be about 42 million by 1983.

President: Is it expanding rapidly?

Ansari: About three percent a year, but we have a planning program and hope to reduce that.

Our development includes every form of economic development, social reform and education.

Kissinger: Point Four was started in Iran in the '50s.

Zahedi: That's right. It began in one room. I was involved in that.

Ansari: Everything we have done has taken place in the last 12 years. Forty-five years ago our total imports were $15 million. This year they are $10 billion. Next year they will be $14.5 billion.

President: Do you have the port facilities to handle this?

Ansari: This is one of the pitfalls in our program. The demand for food, housing and clothing has gone up drastically and our program is not adequate. We have much work to do there. We have four major ports. By 1983 they will have to handle 80 million tons, compared to 4 million now.

Kissinger: I reported to you, Mr. President, about the arrangement for 500,000 barrels of oil in exchange for probable military commodities in a way that the price doesn't become obvious. Is that a fair statement?

Ansari: Yes, indeed.

Kissinger: If you approve the idea, we will have jointly to work out a complete program. It will require some subtlety. The benefit to Iran would be increased liftings and they would keep the price in mind. Among the other advantages to us is that of dealing with a country which has not joined an embargo.

President: For which we are grateful. I approve.
Ansari: We will sit down and work out a plan to submit to you and His Imperial Majesty.

President: Perhaps for his visit.

Ansari: We think we are not exaggerating when we say our relations are very close and we should give more meaning to that. When you are working for peace in the Middle East we think we should cooperate together to turn the region into a bastion of peace.

President: If the foresight of the others was like yours, if we can divert their energies from war to peace, we can make great progress. We will do what we can with the peace negotiations and we appreciate His Imperial Majesty's responsible role.

Kissinger: His Imperial Majesty is a world statesman.

President: Shultz has also said that. I am looking forward to our meeting.

Ansari: Looking back on the Shah's outlook, I look back to the time when I was Ambassador here. Like you when you were in Vietnam, you need friends, and we want to strengthen our cooperation.

So far as Pan Am is concerned, we have had good talks and things are proceeding. We want to have productive investment in accordance with rules of each country. We want to consider it in a manner which would be beneficial to Pan Am and to both of us.

Kissinger: We are operating in a manner and on a scale which will be of great benefit to us both.

Zahedi: It is now with the CAB. We want to be helpful. Their problem is that it is not a profitable investment -- they lost $80 million. They blame it on the price of oil but we think it was management.

President: They have improved the management. They had very large overhead. If economic conditions improve they should be able to move rapidly to a profit.

Zahedi: We think they have made mistakes and still have too many high priced Vice Presidents.
President: The CAB doesn't always do what I want, but I am hopeful.

Ansari: Our thinking is that if this is to be an example of our cooperation, we should work to put Pan Am back on its feet. It should be a successful example so the U.S. Government should do whatever is necessary and we should, so it is a good example.

President: The CAB has been working on the route structure and they have cut the overhead. They have dropped some unprofitable routes.

Zahedi: We signed yesterday for the sixth 747. We will probably exercise our option for six more.

Ansari: One other subject is nuclear energy. We are willing to invest about $8 billion and to invest in an enrichment plant. We would have to insure the success of this effort by giving us access to this technology and its gradual transfer to us. Dr. Kissinger recognizes this as a subject which must be taken up and will be discussed with you.

President: I am not a technician, but the goodwill exists for a constructive solution.

Kissinger: There are technical obstacles but we hope they can be worked out.

President: The will exists.

Ansari: Thank you. We touched on relations with the European Community, co-production issues...

Kissinger: There is a problem of co-production costs. We will be in touch.

Zahedi: Yes. If this be the case, we may drop the proposal. What they say is that the cost of parts two years from now might increase 500%.

Kissinger: The idea was they would produce the TOW missiles and the Maverick. Last year I said we would approve it in principle. I didn't know the prices, and it doesn't seem to make sense.

Robinson: We are investigating it. At the end, there would be a full operating plant.
Ansari: There seems to be a big difference in component costs. They are more than the whole missile bought here.
P. Andrews  H. 20th 1/2

4 Mar 75

Dear Mr. King,

I was pleased to see you. I gave you an updated view of the project. It has been
progressing well and we expect to complete it by the end of the month.

Please let me know if you have any questions or concerns.

Sincerely,

[Signature]

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NDDI-180000-0001
NRO NOOBS, TIANA, STATE DEPT, GUIDELINES
2/15/2023 3:10 PM
By: [Name]  NARA DATE 3/15/74
We have 4 major facts by 8. They will have to handle 8 and 1. Two compared to 4 and 1
at night.

2. I tested myself on a short s agreement for some 50% down if it is illegal for you and another
in very nice credit line drawn down. So that
is that statement

A. Yes indeed

9. Agree in such, we would have jointly to
work on the complete pay. It requires small
sensitivity. Indeed, if you would be concerned
leaving. They would keep you in mind. They
ought to understand in your effect of Vantage
not good enough

P. For what was that? I suppose.
A. We will sit down and work out an plan to submit
to your H.E.M.

P. Perhaps in a week

A. We think in not to say with when we
relate is very close to us should you come
meaning that when your working for
France in the car think we shall try together
through a sign into a better spirit.

P. In your coat to sit the figure of you, if you can
start the change process to press on
can manage great pressure. We will do what we
can I presume to we appreciate H.trench
K. Here is a word adoption
V. Skelt does that will that. I know people
aren't certain

A. J. look back on Shula's question to the twice
of when I heard him. He informed you
when in VA, you could benefit and you
went to the theatre one evening.
So far as I can see, we have had good talks.
They propose to...  We want to have
interesting material in accordance with your ideas.
We want to expedite it some manner, which
would be helpful to our Ann + book, etc.

2 We objected to a man who we think is a real

expert in CBB, Esq. and brought it to our

attention. It is just not a real

man. He is not interested in the book.

They have enjoyed the book. They have

carried it. If I can get another engine they should

be sold to another engine project.

We think they have made mistakes in
too many high periods.

CBB did not always do what we want, but helpful.

Can't think of it if it is in enough

from here, we should not have to put from him back

in it, yet. It should be a successful engine
to US, we shall be whatever necessary we

should do it in good shape.

CBB has been working on what another + they

have not worked. They have dropped some

important points.

2 We missed everything from 6 to 7:47 p.m.

because of the rain.

CBB has set up it's own change. We will try

it next week, if that is a success we will

want it.
a subject which must be taken up & will be discussed later.

I don't wish to get caught up in the details of the contract at this point.

If there are technical difficulties that can't be solved, can
be considered.

The second point:

A. Thank you. We should do a review of the level EC,
   in production issues....

K. What are the problems we need to focus
   on?

7. Yes, I think the last one is very clear.
   What is the agreement on parts? is yes from our end.
   and increase 50%.

K. John said they would produce four months
   back, but they would appear in principle.
   If the human price doesn't seem to make sense.

R. We investigated. It also said, there would be
   a full quantity plant.

A. These seem to be a big step in the present
   context. They more than which results brought free.