MEMORANDUM

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS:
President Ford
Senator J. W. Fulbright
Lt. Gen. Brent Scowcroft, Deputy Assistant
to the President for National Security Affairs

DATE AND TIME:
Wednesday, July 2, 1975
11:04 - 11:35 a.m.

PLACE:
The Oval Office
The White House

Senator Fulbright: I appreciate your giving me the time. I wouldn't take
it if I didn't think it was important.

The President: It was a very timely trip to the Middle East. I would
appreciate hearing your views, from your vast experience.

Senator Fulbright: Let me leave you this, which is by Jim Symington.
[Tab A].

I visited seven countries. I was well received, but they think
my views were a reflection of American foreign policy. I think it is
imperative that you make a statement about our objectives before the
election. The Arabs -- except Qaddafi -- are the most conciliatory
they have ever been. They say that if Israel will go back to the '67
lines, they will recognize Israel. Iraq was not as forthcoming. They
didn't indicate they would welcome a settlement, but they would not
oppose it. But Iraq is just emerging from its isolation. That is breaking
down now, with recent developments with Iran, Saudi Arabia and the Kurds.

In Syria, who I thought didn't like us, the Economic Minister is
a graduate of New York University. He gave me two cordial hours.

The President: Henry really likes Asad. All the countries around Israel
have a different attitude than they had before.
Senator Fulbright: I used the Percy statement. I tried to explain the 76 Senator's letter.

The President: Those fellows who signed the letter -- they may support Israel, but I bet not to the tune of $2.5 billion.

Senator Fulbright: The key to my idea -- and I am a politician -- is the political angle. Not that you need this advice. I have talked to Laird, Kissinger and Ingersoll, etc. You are in a unique position, as a politician. You want to be reelected. Your political opponents are critical to Israel. The question is: can you win on it? I am convinced you need to make a positive statement. This is in Israel's own interest. They are so paranoid they don't know their interest. The Israeli Government is weak and can do it only if they can say that "the damned President forced us." This is the only way we can be free of the burden which has plagued your presidency.

The President: In the next months or year, we have to lay out a comprehensive plan. Now I think there is an advantage to an interim agreement. The chances are against it, and if there is no interim agreement, we have to go for a comprehensive plan. You know the Jews will attack me, but if we posture it right, we can say we tried an interim and we just couldn't get it. I will have $208 million people with me against 6 million Jews.

You may disagree with what we are trying to do on an interim. But that will put it on the back burner for six months or perhaps through the election.

Senator Fulbright: I would just like to get this burden off you. Implementation could wait until the election. But the Arabs need to know your objective. Arafat, of course, is in a more delicate position. I think he will in fact accept the West Bank and Gaza as a place for the Palestinians to call their own. What they do with it is their problem. In five years, with a settlement, Israel would have recognized borders. We just have to get by this damned war. The Jews are propagandizing and using the underdog strategy. They are sending around brochures. I will send you one.

The President: We have been sending them arms. They are better off than they were before the October war.

Senator Fulbright: They would win a war but that wouldn't help -- it would be a disaster.

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The President: We have bent over backwards to help them. They do have a weak domestic situation.

Senator Fulbright: They Arabs will be terribly disappointed if nothing happens for 18 months. It doesn't have to be action, but at least not a stalemate. I think you are going to win in '76 and I think they will be reassured. The moderates have to be able to point to some progress -- if not, they will be pushed out by the radicals. We have to help the moderates. When we didn't help Khrushchev, he got thrown out. You remember we wouldn't let him visit Disneyland! The same will happen to Brezhnev.

The President: Does Arafat think he can control the PLO?

Senator Fulbright: If we can make some progress, so he can contain the radicals. Publicly Arafat is still for a "secular state," but privately he would settle for the West Bank and Gaza.

The President: Not just the West Bank?

Senator Fulbright: Gaza is just a symbol.

The President: What is your impression of Prince Fahd?

Senator Fulbright: He's a powerful fellow. Khalid is a softer fellow, but he is impressive.

The President: The story is that he is weak-minded.

Senator Fulbright: He is quiet, but not feeble-minded. But they have some good people in their 40's. We have a great position in Saudi Arabia. They want to develop with our cooperation -- it's the same in Abu Dhabi -- they are just dying to do something. The Sheikh is an interesting fellow. They have the highest per capita income in the world.

The President: What do they do with the money?

Senator Fulbright: They built roads; they have the two finest hotels I have ever seen; ports, and factories. I am trying to get him into solar energy.

The President: Did you go to Kuwait?
Senator Fulbright: No. I went there before. I visited Iraq for my first time. There is a big opportunity for American investment. They have the biggest oil reserves, next to Saudi Arabia. There are two big rivers.

The President: They are fighting with Syria over that.

Senator Fulbright: Yes, the Saudis are trying to settle that and I think they have. The key to this war... everyone is apprehensive. If we could get the war settled we would have great business opportunities.

Suppose you made this statement, you could go to the Saudis and say "We stuck our necks out here, so now you help us on oil." Make a deal with them. You can't make a deal when you don't do what they are interested in.

The President: If we did lay out a comprehensive plan, is a guarantee essential?

Senator Fulbright: Israel says they want to rely on themselves, but I think it would help the Jews here. Israel was created by the UN. I think a resolution guaranteeing the borders, and the U.S. and the Soviet Union say "We agree with it and will support it." I would use the UN because they created it. I was surprised the Soviet Union said publicly they would go along. Why not?

I fear that a delay would result in Israel doing something reckless.

The President: They would be unwise to do it. The last war was bloodier than ever. I feel their support in the U.S. isn't as strong as it was before. That is why the letters.

Senator Fulbright: That is puffing, not substance.

I think it is a winning issue. The American people are tired of being whipsawed on this. The Arkansas Gazette blasted the 76 Senators' letter for preempting your reassessment.

The President: I appreciate your coming in and giving me this and this material.
We will do something within two or three weeks. And within the next year or so, we must come out with a comprehensive plan.

There is no question after the election. It's just a question of timing.

Senator Fulbright: I think the American people will support you. Only you can do it. Think what it would do in Europe and Japan. You would be acclaimed. Conversely, if there's another embargo and you would be blamed for being able to do something and that you didn't.

It is a great opportunity. I know it is a difficult political problem.

I appreciate the opportunity. I know I am no longer in politics, but I have been following this since the Aswan business.

[Senator Fulbright later sent the President a written report on his trip. Tab B.]
James W. Symington

Toward an American Foreign Policy

In his farewell address George Washington cautioned his countrymen to beware of foreign entanglements. The Father of his Country had been a loyal British subject, having fought on the Indian frontier with General Braddock. His American opinion was that of his associates, observed by degree as his mind and spirit became animated by perceived injury and attracted by a corollary sense of patriotism to the new cause. He was to be allowed to visit with us today he would be hard put to fashion our network of alliances, trading arrangements, military aid programs and the intricacies of delegate. Observing our grants, sales and loans to nearly every participant in the Middle East struggle, he might conclude our foreign policy bordered on the ecclesiastical.

If he were to offer advice after being afforded such an overview, it seems to me he would be simply to bear in mind America's national interest in the facilitation of foreign policy, so that it might stand the test of time. He might note with no prejudices denoting an influence of any national bias or sentiment. He would have agreed with Senator Henry Cabot Lodge Sr., who early in this century spoke of the need to cease both Anglo-American, German-Americans, Pan-American, and Irish-Americans and become just Americans. This, he might add, is not an easy task. The political, economic, and social forces at work today are much more complex and difficult.

Reflecting on his own era, Washington felt that each of the great powers had an interest in the international system. His advice would be to understand the nature of the system and work within it to achieve the goals of American foreign policy. He would have been concerned about the emerging political climate and the need for cooperation. He would have advocated for a foreign policy that fosters stability, security, and prosperity for all nations.

The American foreign policy is that of a country that has enjoyed a unique and unprecedented period of global leadership. It has been able to project its influence far beyond its borders, and it has been able to shape the course of events in ways that benefit its allies and its own interests. The challenges that face us today are complex, and they require a forward-looking and strategic approach. It is crucial that we continue to work together with our allies to promote peace, stability, and prosperity around the world.

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MEMORANDUM

TO: President Ford  DATE: June 27, 1975
FROM: J. W. Fulbright
SUBJECT: The Middle East - An American Policy

In his speech at Atlanta on June 24, Secretary Kissinger pointed to the range of vital American interests in the Middle East -- the security of Israel, access to Arab oil, the strain on the Western alliance posed by each successive crisis, the threat to the world economy of a new oil crisis, and the chronic danger of confrontation with the Soviet Union. The Secretary emphasized that the United States "must do its utmost to protect all its interests in the Middle East."

Having recently returned from an extended tour of the Middle East, I take the liberty of conveying to you my strong sense of both the import and urgency of the Secretary's observations. Time is working against us, and against our interests. The status quo is not benign. It is not allowing tensions to abate; on the contrary, it fosters a steady and accelerating slide toward war. The Secretary was, if anything, understating the matter when he said at Atlanta that "We are now at a point where there must be a turn either toward peace or toward new crises." Virtually every Arab leader I met on my trip expressed not just apprehension but certainty that if significant progress toward a settlement does not come soon, war will follow within a year or so, and with it a new oil embargo.
The principal Arab countries -- including Egypt, Syria, Jordan and Saudi Arabia -- are all at present led by moderate and responsible men. These leaders are united in a consensus for making peace with Israel on the basis of the 1967 borders. All of them say so, explicitly and without qualification, and Mr. Arafat says so too, guardedly and by indirection, but to my ear, unmistakably. The emergence of this consensus for the acceptance of Israel is the most important and promising development in the Arab world since the 1967 war. It has created what Arab leaders describe as a "golden opportunity" for peace.

Emphatic as they are in pointing to this "golden opportunity," Arab leaders are no less emphatic that if not seized upon now, the opportunity will soon be lost, perhaps irretrievably. As in our own politics, no approach to a problem -- especially a risky and controversial one -- can be pressed indefinitely if it does not bring results. The continued occupation of Arab lands is a threat not only to moderation but to the moderate leaders themselves. Mr. Arafat hints that he could be more forthcoming if he had something to show for it, and also warns that if he does not succeed he will be replaced by extremists. One also hears -- with disturbing frequency -- warnings that President Sadat himself may be in trouble if he does not soon achieve some progress toward peace.
American interests. The Arab-Israel conflict and the oil problem are not only related but inseparable. Israel is largely a creation of the conscience of the West, particularly that of the United States; for that reason alone, her survival qualifies as an American national interest. At the same time we have a most vital interest in access to Arab oil -- all the more as the Gulf states account for a steadily rising portion of our imports and Congress shows little inclination to cooperate with you in meaningful energy-conservation. The problem of statecraft is to reconcile these interests, surely not to allow ourselves to drift, or be maneuvered, into a position in which one must be sacrificed to the other. The only way to reconcile these interests is by bringing the Arab states and Israel to a settlement.

The stakes are high, either for disaster, or as is not always sufficiently recognized, for great good. If there is another war, it may well bring a confrontation with the Soviet Union, and it will surely bring an embargo, which in turn could precipitate the disintegration of our alliances with Europe and Japan.

On the other hand, Saudi Arabia has offered the United States a degree of cooperation and assured access to its oil which arouses the envy of all other industrialized countries. The Saudis do not propose, nor would we desire, privileged or discriminatory access to their oil, but they do offer us -- and it is entirely proper that we should accept --
a unique relationship based upon assured oil supply, large-scale investment of oil revenues in the United States, and primary reliance upon American technology for the development of Saudi Arabia. A Saudi-American association of this kind could also serve as an economic nucleus which would be highly beneficial to the rest of the world, including the developing countries. Also of great importance is the fact that almost all of Saudi Arabia's vast oil reserves are explored and extracted by a highly efficient American company with excellent relations with the Saudi Government. It is staffed primarily by Americans, is American in its orientation, and qualifies thereby as a solid asset to the national interest.

There are two basic problems with respect to our reliance on Arab oil: supply and price. The problems of supply -- which is to say, the threat of embargo -- is wholly a function of the Arab-Israel conflict. If that is resolved, there is no further threat of embargo. The problem of price is also related to the Arab-Israel conflict. A settlement could not be expected to result in an immediate, sizable price rollback, nor would it detach Saudi Arabia from OPEC. It would, however, eliminate the only outstanding issue between the United States and Saudi Arabia -- especially if provision were made for the restoration of East Jerusalem to one form or another of Arab sovereignty. Under these circumstances, Saudi Arabia would
almost certainly draw closer to the United States and become more amenable to our influence, making the problem of oil prices far more susceptible of reasonable accommodation.

The settlement. Except from Israel herself, there is a virtual world consensus as to the main outlines of a Middle East settlement: an Israeli withdrawal to the borders of 1967 with insubstantial variations; a Palestinian state comprising the West Bank and Gaza, either separate or in association with Jordan as the Palestinians may choose; the permanent or indefinite demilitarization of the Golan Heights, of much or all of Sinai including Sharm el-Sheikh, and of much or all of the West Bank; the stationing in the demilitarized zones of UN forces which could not be removed except with the consent of both sides; and great power guarantees of the settlement, preferably under the aegis of the United Nations Security Council, supplemented if necessary by a solid and explicit American guarantee of Israel.

A settlement along these lines has been endorsed by the principal Arab parties and also by the Soviet Union. The Arab consensus for the acceptance of Israel has been repeatedly signaled by the Arab leaders. King Khalid put it this way: "The Arabs have learned to be moderate, reasonable. Gone are the days of Nasser's period when the Arabs threatened to exterminate the Israelis." No less significant is the Soviet declaration of willingness to guarantee Israel. As Foreign Minister Gromyko
put it at a dinner in Moscow on April 23, 1975, for Syrian Foreign Minister Khaddam: "Israel may get, if it so wishes, the strictest guarantees with the participation -- under an appropriate agreement -- of the Soviet Union." As noted, the Arab consensus will not survive indefinitely if it brings no rewards; nor can we count on the Soviets to renew their offer to cooperate if we do not hold them to it now.

The settlement would not need to be implemented at once. President Sadat and other Arab leaders indicate that they would be prepared to have it implemented over a period of years, step-by-step -- provided it were understood that such a settlement, and nothing less, were the agreed objective.

A settlement of the kind described would redeem and reconcile the American interests at stake, and, I feel certain, is in the best interests of Israel as well. Israel will be secure only when she gains acceptance as a normal state in the Middle East, in which event she would almost certainly become the scientific and technological leader of the region. The Arabs offer that -- or a start toward that -- now, but it is far from certain that they will continue to offer it as they gain in military and technological capacity and the balance of power swings in their favor. In that eventuality, Israel will become less secure despite the retention of "defensible borders," and will of course be thrown into steadily greater dependence upon the United States.

As matters now stand, our commitment to Israel is open-ended: we are providing the material means for an Israeli
policy which is beyond our control -- a policy which, by all
dimensions, is carrying both Israel and the United States
toward a major new crisis. An American guarantee of an agreed
settlement, on the other hand, would clarify an ambiguous commit-
tment, bringing it clearly within the scope of our national interest,
and at the same time provide Israel with the greatest possible
security under the circumstances which exist in the area. As one
thoughtful observer remarked: "The only secure borders are those
which are accepted by one's neighbors."
ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: BRENT SCOWCROFT
FROM: JAMES E. CONNOR
SUBJECT: The Middle East - An American Policy

The attached memorandum was returned in the President's outbox with the following notation:

"I have read"

cc: Don Rumsfeld

Attachment: Memorandum of June 27, 1975 to the President from J. W. Fulbright on the above subject.
July 2, 1975

Major General Brent Scowcroft
Deputy Assistant to the President
for National Security Affairs
White House
Washington, D. C.

Dear General:

In accordance with our conversation this morning, I am sending you under cover of this letter the material we discussed.

With best wishes,

Sincerely,

J. W. Fulbright
2 July 75

F. Appreciate your going here. Would take it if I had time important.

F. Very much try would appreciate you two from your work

F. At the time I was in conversation.

F. I want to meet him - will reach, but that has no

F. That it requires your initial statement about my objection before election. For

F. About 50 & 50 - are most immediately

F. They say if I go back to 67, they will not, very, stay out on fortifying. Despite

F. And with they would have one situation, that

F. This is doing good. From Sand, Ken.

F. For Syria, wish I did not wish situation, more

F. I have not talked them before.

F. Gerald Henry statement. With a Klein to 76

F. The other who wanted a letter. They may

F. The key to my who - 2 ec politicians are

F. Hand, R. Haywood, etc. Yessin

F. Picture, as politician, you want
In relation, your potential payments are limited to x. A contract is an agreement.

As I mentioned, your withdrawal statement is in I own interest. They say a personal loan does not have this interest. They might come last, only if they can see that demand I foresew. This is exactly how we can be free of the burden which has plagued your plan.

A for healthcare year end, must to lay out everyone plan. You think about if an action agreement. Claims are against it. If we, we have to go for unique checks.

You know, you will attack me, but if we plan right - we will win against it. I will have to think of one against it.

You know, we agree. What are trying to be an action. But that put it in line. Someone put for me or perhaps than either.

I would just like to get this burden off your implementation with until the others. But the ones need to know your multicast. At first, someone is in much with position. But think he will not accept us back a George or plans to kill it soon.

What they do after that, that the best of settlement? I would be engaged in all.
We just have to get by the damned war. The Jews are propagating the immorality of the strategy. I don't know what I can do.

W. I have been thinking. They better if they

friend it now.

F. They would win a war, but that wouldn't help us.

W. We have been working hard to help them. They don't have much chance of it.

F. As long as we can't really dig in and fight, we have to go out of our way. We have to stay calm.

B. I don't know what to do.

W. If we can make some progress, we can contain it. Perhaps there is still a way to do it. But we need to fight back.

F. Gaza.

W. What about Gaza?

F. Gaza is a disaster.


W. There is still a lot to do. Some progress has been made.

F. They say it's much worse now.
F. He printed but not publish in Mide. And they
have some good people in their col's. We have
a great position in S.A. They want to open
by some large firm in Athens. Also they
are trying to do something. Sketch is underway.
F. Scared they can't do well.
P. What is the best way of money.
F. Ranks 2. I heard he (Owen) was, yes, great.
F. They might get him with more money.
P. So & I went.
F. We went there before. Long many years.
There's a big opportunity for US investment.
Buy 50% more shares & S.R. to be big. (Note)
P. Frightening I say.
F. Sanders trying to settle, they want -
Keep this one... everyone is opportunistic. If
we could get some people we could have great
business opportunities.
Suppose you want this investment. You could go to
Smith & say we are stuck on this and this, so
want your help on our aid. Make a deal like then
you can't reduce debt when you can't deal
with our interest.
P. Started the long plan, so our
guarantee essential?
F. I say they want to rely on themselves but think
it would help a few. Here I will kill by
VN. I think resolution guaranteeing
The trouble is, US say we agree to it, I will support it. I need to see because they want SU. I seem SU want nothing to go done, why not. I fear they would result in I doing something useless.

P They would be wrong to let the last man win. The last man was friendlier than is. I felt their support for US think stuff or will. I thank only to this.

F That is pretty not substances that is not a morning. The lines could be stuck of being being whispering. This, Cindy Fugate stated. To be for everyone given reassessment.

P Suppose given every in going up

two terrains.

We do something "in 1-3 weeks, and..." in next year or so we must come and a program in plan.

Then was question after election, just a question of timing.

F I think it since people will support you, every you can do. Think what will work and tell it in first spot. You could do a second chance. Another wrong you should be aligned for being of the same thing or didn't.

It a great opportunity, I think a lot.
potential part.
Logistics opportunity, 3 hours & in open
sections but other following.

Ann