

## MEMORANDUM

THE WHITE HOUSE  
 WASHINGTON

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## MEMORANDUM FOR THE PRESIDENT'S FILE

FROM: HENRY A. KISSINGER

SUBJECT: Meeting with His Imperial Majesty Mohammad Reza Shah Pahlavi, Shahanshah of Iran on Tuesday, the 24th of July, 1973 at 10:43 a.m. - 12:35 p.m., in the Oval Office

PARTICIPANTS: The President  
 The Shah of Iran  
 Dr. Henry A. Kissinger

The Shah: The French have changed. There is no longer the "folie de grandeur". They are afraid that the U.S. will leave Europe.

The President: De Gaulle is what the French needed at the time. But no one wants the United States to leave.

The Shah: The Soviets always want to blackmail. The Germans are scared by Brezhnev's shock tactics. The Russians tried it on us, but I told them, "If you use a situation-of-strength policy, we will use it too." The Soviets must know that we have decided to remain independent.

The President: And that you are willing to die for it. Not many are.

The Shah: The Pakistanis are. We will not let the Pakistanis disintegrate. I told Singh we would restrain the Pakistanis. India has no right to tell us what to arm any more than we will tell them what to arm. I told Singh that we would consult before we did anything.

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The Soviets' strategy has succeeded in Afghanistan. Even if it was not a Russian coup, they must have known about it. It was done by 50 young officers who will use Daud as a figurehead. Then they will push to the Indian Ocean. It is the same problem in Iraq. You are helpful in Iraq. It is important for psychological reasons that the Kurds know that the great United States is behind them. Britain is helping too, and so is Israel. Turkey is a little reluctant to cooperate. Turkey has always had a weakness for Iraq and a fear of the Kurds. We are preventing a coalition of the Baaths, the Kurds, and the Communists. We are preventing this. On the other side is Afghanistan--why have they done this? Because the Afghans were becoming truly neutral. They had refused the Soviet call for an Asian security conference when Podgorny visited there. Why did they proclaim a Republic? Because they know they must have a leftist coloration. If they push Pushtoon agitation, we know they will try for the Indian Ocean. Is this to isolate China or crush us? The objective may be both. We have recognized Afghanistan in order to remove any pretext for Soviet action.

In the South they are helping the Sultan of Oman. Chinese activity has dropped and the Soviets have replaced them. The Chinese Foreign Minister made a strong statement in Tehran last month supporting Iran's foreign policy. I tried to talk to the Saudi king. He is impossible. Nothing stands in the way of the collapse of the Saudis and Kuwait except the poor little Kingdom of Jordan.

I can assure you we will never accept anything from the Russians incompatible with our independence and progress. To resist we must have progress in our own country. The farmers and workers must have a sense of participation. With a society in which there is a sense of participation, we will be immune to sabotage.

We shall work for peace as much as we can. We think America should find some formula to get things moving in the Arab-Israeli dispute. We should not leave the Arabs in complete despair or else Sadat will lose control. We are not interested in the opening of the Suez Canal but Israel should make concessions. Israel should be given guarantees.

We are looking for a navy. I hope you will help us. I have invited Hughes and Westinghouse to establish an electronics industry. But our navy and armed forces are not a good enough customer. Couldn't we start co-production? We can control prices and do better by you than Japan.

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We have a large shopping list.

Dr. Kissinger: India has already protested!

The Shah: But I have pulled their teeth by accepting consultation. I have given some Communist countries access to our refineries because I must prevent a ganging up of the entire Communist world against us.

I am having a pipeline built to Europe so that they feel our security is inseparable from European security. The only viable oil-producing country for Europe is Iran. If I can link my country to Europe by a gas line, they have to pay attention to us. Thus Russia can't use detente with Europe and toughness with us; they must link detente with us to detente in Europe. They can't take our country intact. That is my best weapon in the absence of atomic weapons.

I am building up our agriculture. I hope we can buy your produce in the interval.

Iran soon will produce 15 million tons of steel, 11 million by a new method. This way we can produce steel much more cheaply than even India. We are building an auto industry--we are even exporting buses. We can make Mercedes trucks better than in Germany. They have the problem of foreign workers in Germany. The better solution for them is to produce abroad. We can sell these products in the Middle East better than Germany.

The Japanese are very clever.

We are also getting into Africa, for altruistic motives. Africa is in terrible shape. There are no governments, only tribes. We are improving our relations with South Africa. We are sending our former Chief of Staff there as a Consul.

Our relations with Egypt are okay. With Tunisia, they are better than okay. Algeria practices moderation but preaches extremism. Their government, though, is working. The Turkish government is stronger and our relations are better. I hope the election in the fall will give them strength.

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We have good relations with Britain. Pompidou stopping in Tehran on his way back from Peking.

The President: How about Jordan?

The Shah: We must preserve it. I can't understand that Kuwait and the Saudis are increasing their aid to Arafat. It is insane. The United States should help in the Middle East. This defuses the Arab-Israeli dispute and it reduces Soviet influence. Thirdly, Egypt is moving towards the Saudis who can moderate the Egyptians by using oil policy.

Oil policy is sufficiently crucial. We have asked for atomic stations even for Iran. The normal trend will be that oil will rise in price until shale or gasification of coal becomes profitable. We have produced stability in the oil negotiations. No other country can do this.

The President: It has been very helpful to get your survey of the situation. Your analysis convinces me that it is indispensable that we have a policy of total cooperation. I want Dr. Kissinger to follow through on naval forces, breeder reactors, etc.

I see the world and the part Iran plays pretty much as you do. As you know, we had highly publicized and very lengthy talks with Brezhnev. Much of it was protestations of peace. The rest was tough. Why do the Soviets want detente? With respect to SALT, it was a long and tortuous process, though the Soviets may have concluded that the arms race is unwinnable. We have no illusions. We are not fooled by good personal relations. Cooperative ventures between us and the Soviets may not help much--but it doesn't hurt much either. We are not taken in by rhetoric. We know that their goals are different from ours. The Soviets are betting on the possibility that the impression of condominium will undermine our alliance. On the European front, the Soviets in the arms control talks want us to weaken our European forces. We are cooperating with the French nuclear program. The Germans are the weakest country psychologically.

Their most difficult problem is China. The USSR is pathological about China. They are looking ahead 20 years. They see the ominous character of China and our relationship as a threat. They will do anything

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to isolate the Chinese. What game will we play? I call it an even-handed game. If the Soviet Union can crush China, the world will not be safe.

The Shah: That's the irony of it all.

The President: On our relations with China: We can't arm them. But we can do anything short of it. China is no longer pressing for the expulsion of the U. S. from Japan or for the disintegration of NATO. Look at problem of India. We played a role in the India-Pakistan crisis to keep China from being isolated. The Soviets want to wreck Iran because once that is destroyed they have only the minor squabbling principalities to deal with. We must checkmate them everywhere.

Let's turn to the Middle East. We recognize that the UN can't work. You understand the Israelis despite your natural tendency towards the Arabs.

The Shah: No, our natural tendency is towards Israel.

The President: I want you to know that we will do something. The Russians are obsessed with the question. Why? Because they don't want to be on the losing side, and, secondly, because they feel frustrated. I have a great personal concern on the issue. It summarizes my attitude to say that you can be very helpful.

As I look back on the first time we met, the big change since then is China and the big problem is your neighbor to the north. That's my problem.

The Shah: That's exactly my view. I don't have any other view. The whole world situation depends on the Soviet-Chinese confrontation. In 25 years the evolution is hard to predict. They may play the opposite game. Russia has its own internal problems.

The integrity of what remains of Pakistan is essential. We have to defuse the danger of the Middle East. India has never respected any agreement. I told Kosygin that we can destroy Iraq in a few hours. If we have the power you can afford to be wise. We must have the deterrent power of the Air Force.

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