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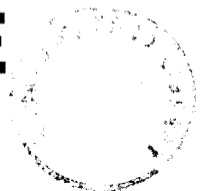
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**INTERNATIONAL
ECONOMICS**

KISSINGER

ON OIL, FOOD, AND TRADE

Today's economic problems can be solved only through international action



JAN 17/7/75

NBC Commentary - David Brinkley

All the public anger in the Middle East suggests they have not read what Kissinger said in the Business Week interview, or if they have read it, their reactions are absurd.

What he said was that military action there would be very dangerous, that we should have learned in Vietnam that it's easier to get into a war than it is to get out of one, it would be considered only the gravest emergency, such as strangulation of the industrial world, which is hardly a threat of war.

But if the oil gouge in the Middle East threatens to wreck the economies of Japan, Western Europe and the U.S., they can hardly expect that all the big countries will lie down quietly and passively and wait to be strangled.

Some of these histrionics by Middle Eastern politicians probably are posing and posturing for local political effect, a theatrical nubmer that is not unknown here. But any leader who believes a few small countries can systematically destroy nearly all of the big ones with no retaliation, is not qualified to be a leader.

A generation or two ago, when colonialism was still in flower, an invasion of the Middle East and seizure of the oil would have occurred before now. The industrial countries may be somewhat more civilized now, but not that much.

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Auto Sales Off Sharply in December

All networks reported that in Detroit three auto makers reported sales were off sharply in December compared with the same period one year ago. General Motors reported a decline of 24 per cent, Chrysler said sales were off 38 per cent and American Motors announced a decline of 46 per cent. Howard K. Smith reported that the auto industry began the current work week with 40 per cent of its blue-collar workers unemployed.

CBS reported the decline in 1974 auto sales over 1973 sales was: General Motors, down 27.2 per cent; Chrysler, down 21.3 per cent; Ford, down 18 per cent; and American Motors sales were down 15.3 per cent.

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The Secretary of State



Interview

Business Week Issue of
January 13, 1975

Bureau of Public Affairs
Office of Media Services

MAJOR TOPICS: Energy, Food, Mideast, Trade

QUESTION: Until recently it was the U.S. position that the energy crisis could be solved only by an immediate and substantial reduction in the price of imported oil. Why has that policy changed?

SECRETARY KISSINGER: I would disagree with the word immediate. It has been the U.S. position that the energy crisis cannot be fundamentally changed without a substantial reduction in the price of oil. This remains our view. It is also our view that the prospects for an immediate reduction in oil prices are poor. I have always had the most serious doubts that an immediate reduction in oil prices could be achieved because I did not see the incentives for the oil producers to do this in the absence of consumer solidarity. A reduction in energy prices is important. It must be achieved, and we must organize ourselves to bring it about as rapidly as possible.

Q: Why was it impossible to reduce the price of oil immediately?

A: Because in the absence of consumer solidarity, pressures required to bring oil prices down would create a political crisis of the first magnitude. And this would tempt other consuming countries simply stepping into the vacuum created by the United States and would therefore not be effective.

Q: Can you describe the kind of political problems that would develop without consumer solidarity?

A: The only chance to bring oil prices down immediately would be massive political warfare against countries like Saudi Arabia and Iran to make them risk their political stability and maybe their security if they did not cooperate. That is too high a price to pay even for an immediate reduction in oil prices.

If you bring about an overthrow of the existing system in Saudi Arabia and a Qadhafi [Col. Mu'ammal-Qadhafi, Chairman, Libyan Revolutionary Command

Council] takes over or if you break Iran's image of being capable of resisting outside pressures, you're going to open up political trends which could defeat your economic objectives. Economic pressures or incentives, on the other hand, take time to organize and cannot be effective without consumer solidarity. Moreover, if we had created the political crisis that I described, we would almost certainly have had to do it against the opposition of Europe, Japan, and the Soviet Union.

Q: In your University of Chicago speech [Nov. 14, 1974], you said, "The price of oil will come down only when objective conditions for a reduction are created and not before." What are these objective conditions and when do you think they will be achieved?

A: The objective conditions depend upon a number of factors: one, a degree of consumer solidarity that makes the consumers less vulnerable to the threat of embargo and to the dangers of financial collapse. Secondly, a systematic effort at energy conservation of sufficient magnitude to impose difficult choices on the producing countries. Thirdly, institutions of financial solidarity so that individual countries are not so obsessed by their sense of impotence that they are prepared to negotiate on the producers' terms. Fourth, and most important, to bring in alternative sources of energy as rapidly as possible so that that combination of new discoveries of oil, new oil-producing countries, and new sources of energy creates a supply situation in which it will be increasingly difficult for the cartel to operate. We think the beginning of this will occur within two to three years.

Q: Over the past year the oil producers have been able to cut back production as demand has declined. Doesn't that indicate that conservation alone will not break the oil cartel?

A: Yes, but there's a limit beyond which that cannot go. Many producers are dependent on their revenues for economic development. Countries which can cut production most painlessly are those that are simply piling up balances. Countries that need oil revenues for their economic development like Algeria, Iran, and Venezuela do not have an unlimited capacity to cut their production. If the production of these countries is cut by any significant percentage, their whole economic development plan will be in severe jeopardy. Therefore the problem of distributing the cuts is going to become more and more severe. I understand that Libya has already had to take a disproportionate amount of the reductions which it can do because it has really no means of spending all its income. In the absence of an Arab-Israeli explosion, Saudi Arabia's incentive to cut production indefinitely is limited for political reasons. Other countries will have less and less of an economic incentive to cut production. As the number of OPEC [Organization of Petroleum Exporting Countries] countries increases and as alternative sources come in, I think these cuts will grow increasingly difficult to distribute.

"A reduction in energy prices is important. It must be achieved and we must organize ourselves to bring it about as rapidly as possible."

Q: Are the conservation goals to cut something like 3 million barrels a day in 1975 enough?

A: I think 3 million barrels a day will be enough, plus alternative sources, plus an increase in later years. We have to continue this conservation over the years.

Q: Are the Europeans accepting your proposal for a 1 million-barrel-a-day cut by the United States and a 2 million-barrel-a-day cut by the other consumers? Or are they pressing for a more equal distribution?

A: We have to announce our conservation plans more concretely before we will have an effective negotiating position with the Europeans. I believe that the major objective of our strategy can be implemented, and the desire of some European countries for a consumer-producer conference can be used to accelerate consumer cooperation. We will not go to a consumer-producer conference without prior agreement on consumer cooperation.

Q: Are there any political pressures the United States can bring to bear on the oil cartel?

A: A country of the magnitude of the United States is never without political recourse. Certainly countries will have to think twice about raising their prices because it would certainly involve some political cost. But I don't want to go into this very deeply.

Q: Businessmen ask why we haven't been able to exploit [Saudi Arabian] King Faisal's fear of communism to help lower prices?

A: We have a delicate problem there. It is to maintain the relationship of friendship that they have felt for us, yet make clear the consequences of these prices on the structure of the West and of the non-Communist world. I think we will find that Saudi Arabia will not be the leader in the reduction of prices but that it will not be an impediment to a reduction if enough momentum can be created in the Arab world—indeed it will be discreetly encouraging.

The Saudi Government has performed the enormously skillful act of surviving in a leadership position in an increasingly radical Arab world. It is doing that by carefully balancing itself among the various factions and acting as a resultant of a relation of forces and never getting too far out ahead. Therefore I never for a moment believed, nor do I believe today, that the lead in cutting prices will be taken by Saudi Arabia. On the other hand, the Saudis will happily support a cut in prices proposed by others. The Saudis have no interest in keeping up prices. They don't know what to do with their income today.

Q: But all along it has seemed that the Saudis have taken the lead in saying they want to get the price of oil down and that has never happened. In fact the joke is we can't take another cut in oil prices from the Saudis because we can't afford it.

A: I think that's true. I have always assessed the Saudi statements in the context of their positioning themselves in a general constellation of forces. In my opinion they will not take the lead. But they will not oppose it.

Q: Who is likely to take the lead or what producer nations?

A: It is my opinion that a reduction in prices cannot come from Iran alone though its voice is important given the powerful personality of the Shah. Among the Arab countries Algeria is important; Kuwait could be important; Syria, even though it's not an OPEC country, has a moral influence for political reasons. But it will not come, in my view, from Saudi Arabia.

Q: Do you think there is something that could happen in the Arab-Israeli situation that could result in a reduction in oil prices?

A: Not really. I think that if the situation deteriorates there could be a reduction in supply. I don't believe it is wise for us to try to sell the Israeli concessions for a reduction in oil prices because this would create the basis for pressures in the opposite direction during a stalemate. Every time the OPEC countries want something from us politically, they could threaten to raise the prices again.

Q: So there's nothing tied to the Jerusalem problem or the refugee problem that would have anything to do with the price of oil?

A: No, it has never been raised.

Q: Many bankers claim that all the schemes for recycling oil money—including the one you suggested in the University of Chicago speech—are only band-aids because each scheme piles bad debt on top of good. Most of the countries have no way to ever repay the loans. Do you see how the \$25 billion fund you proposed would be repaid?

A: We have two problems. We have an economic problem and we have a political problem. The political problem is that the whole Western World, with the exception perhaps of the United States, is suffering from political malaise, from inner uncertainty and a lack of direction. This also affects economic conditions because it means that you have no settled expectations for the future and therefore a lowered willingness to take risks. One of the principal objectives of our energy policy is to restore among the industrialized countries some sense that they can master their own fate. And even if this would involve some questionable debts, these are debts that have to be met somehow. It would be enormously important for the general cohesion of the industrialized world and for its capacity to deal with the future that they are dealt with systematically and not as the outgrowth of some crisis. Moreover one way of disciplining some of the industrial countries is by the conditions that are attached to the funds that might be available.

Q: Where would this \$25 billion come from?

A: The United States, the Federal Republic of Germany, small sums from other countries.

Q: But the United States and West Germany would bear the brunt?

A: That's probably true. But you have to look at it as a guarantee rather than as a debt.

Q: Will this require congressional approval?

A: I'm told that we could actually do it by borrowing and not require congressional approval. However, we have decided that in undertaking even potential obligations of this magnitude we'd better seek some congressional concurrence.

Q: How long will it take this program to really get rolling?

A: We will not go to a producer-consumer conference without having this program well established. If we don't have consumer solidarity we're better off conducting bilateral negotiations with the producers. However, I think that within the next three months—by the end of March certainly—the major elements of our program will be in place.

Q: Who will have the job of getting these elements in place?

A: Our new Under Secretary for Economic Affairs Mr. [Charles W.] Robinson, Tom Enders [Assistant Secretary of State for Economic and Business Affairs].

Of course the Treasury Department has a vital role. Secretary [of the Treasury William E.] Simon has been intimately associated with the entire program. We have a committee dealing with the international implications of the oil crisis. It is composed of myself, Simon, [Under Secretary of the Treasury for Monetary Affairs Jack F.] Bennett, Robinson, [Deputy Secretary of State Robert S.] Ingersoll, [Chairman of the Federal Reserve Board Arthur F.] Burns. Another committee under Secretary [of the Interior Rogers C.B.] Morton links domestic and international policy.

Q: Have you had any discussion with the Soviets about what their position would be if there were a confrontation between the oil cartel and the Western consumer governments?

A: No, and I think it would be a very foolish question to ask them.

Q: Do you know if the Arabs are using their petrodollars to force a favorable resolution of the Arab-Israeli conflict?

A: I don't think they've done it up to now. If we don't have consumer solidarity that may happen eventually.

Q: There was some concern last month about the British pound.

A: I've seen these reports. They were denied. It is certainly an option they have. And it is one reason why we are so determined to create institutions of financial solidarity, because if you have these institutions then that sort of pressure will not be possible. The producers could not take on one currency then.

“One of the principal objectives of our energy policy is to restore among the industrialized countries some sense that they can master their own fate.”

Q: Is it possible that we may have to engage in an emergency financial bailout of Italy or Britain before the financial facility is in place?

A: Very possibly. In this sense, the proposed facility merely institutionalizes what will have to happen anyway, because if present trends continue there will have to be a bailout sooner or later. But it makes a lot of difference whether you bail somebody out in an emergency, and therefore enhance the sense of vulnerability and create conditions for a new emergency, or whether having perceived the emergency you can convey to the public that there is a structure that makes it possible to master your fate and to deal with difficulties institutionally.

Q: How do you rate the chances for another Arab-Israeli war in the spring?

A: In the absence of a political settlement there is always the danger of another Arab-Israeli war. On the other hand, war is talked about much too loosely. Both sides lost grievously in the last war. Neither side really won. I think the readiness of either side to go to war is often exaggerated. I also believe that there is some possibility of political progress before the spring.

Q: Then you don't anticipate the possibility of another oil embargo soon?

A: No, unless there is a war.

Q: Well, what about after the spring?

A: I don't anticipate an oil embargo in the absence of war. I am not even sure of an oil embargo in the event of a war. It would now be a much more serious decision than it was the last time. We're now engaged in rather delicate negotiations, and these still show promise so why speculate about their failure while they're still in train?

Q: The Shah of Iran has indicated that in the next war he'd be on the side of the Arabs. Does this represent to you a shifting of forces over there?

A: I would have to analyze exactly what he said. In the past the Shah maintained a rather neutral position. What he means by being on the side of the Arabs I would have to understand a little better. But obviously the trends in the Moslem world are in the direction of greater solidarity.

Q: Have the Israelis indicated to you a willingness to give back the oil lands in the Sinai they captured in the 1967 war?

A: I don't want to go into the details of any specific ideas the Israelis may have suggested, but the Israelis have indicated their willingness to make some further territorial withdrawals.

"We should have learned from Viet-Nam that it is easier to get into a war than to get out of it."

Q: One of the things we also hear from businessmen is that in the long run the only answer to the oil cartel is some sort of military action. Have you considered military action on oil?

A: Military action on oil prices?

Q: Yes.

A: A very dangerous course. We should have learned from Viet-Nam that it is easier to get into a war than to get out of it. I am not saying that there's no circumstance where we would not use force. But it is one thing to use it in the case of a dispute over price, it's another where there is some actual strangulation of the industrialized world.

Q: Do you worry about what the Soviets would do in the Middle East if there were any military action against the cartel?

A: I don't think this is a good thing to speculate about. Any president who would resort to military action in the Middle East without worrying what the Soviets would do would have to be reckless. The question is to what extent he would let himself be deterred by it. But you cannot say you would not consider what the Soviets would do. I want to make clear, however, that the use of force would be considered only in the gravest emergency.

Q: What do you expect is going to be achieved in the first meeting between the consumers and the producers?

A: The industrialized nations suffer in general from the illusion that talk is a substitute for substance. And what might happen is used as an excuse for not doing what can happen. What can happen at a consumer-producer meeting depends entirely upon whether the consumers manage to bring about concrete cooperation and whether they can concert common positions before the conference. In the absence of these two conditions the consumer-producer conference will not take place with our participation. If it did take place it would only repeat in a multilateral forum the bilateral dialogues that are already going on.

There is too much talk to the effect that there is no consumer-producer dialogue now. There's plenty of dialogue. We talk to all of the producers. We have excellent relations with Iran and Saudi Arabia. The Europeans are talking to the producers; the Japanese are talking to the producers.

We do not suffer from the absence of dialogue but from the absence of a systematic approach, the lack of a clear direction in which to go. If you don't have a systematic coordinated approach, then a consumer-producer conference can only repeat in a multilateral forum under worse circumstances what is already going on bilaterally. So you ought to ask me the question again in about two months when we're further down the road.

But I want to make absolutely clear that the United States is willing to have this conference. It is in fact eager to have a consumer-producer dialogue. In our original proposals to the Washington Energy Conference in February we argued that consumer cooperation must lead as soon as possible to a consumer-producer dialogue. At that time we envisaged it for the fall of 1974. But we also want the dialogue to be serious and concrete. It must deal with the problem of recycling. It must deal with the problem of the less developed countries. It must deal with the problem of price over a period of time. In terms of the producers we can consider some assurance of long-term developments for them. But all this requires some very careful preparation.

Q: Does President Giscard d'Estaing now share our views as to how the consumer-producer conference should go forward?

A: It's my impression that he shares it. Of course he has to speak for himself. But he can be under no misapprehension of our view of the matter.

Q: Many people have felt that the U.N. meeting on population in Bucharest last summer and the meeting on food in Rome were unsuccessful because there were too many countries represented at them. Will this problem plague the oil meetings too?

A: None of the organizing countries have yet decided how many countries to invite and in what manner to conduct the negotiations. Personally I would favor a rather small negotiating group, but we will not make an issue of it. A lot of countries will favor this in theory until they come to the problem of whom to invite and whom to exclude, so the tendency will be toward expanding the membership. In general I would say the larger the membership the more unwieldy the procedures are likely to be and the more difficult it will be to achieve a consensus.

We worked hard to make the World Food Conference a success. I think that the proposals we made in Rome will probably be the basis of food policy for some time to come. Our basic point was that there already exists a large global food deficit which is certain to grow. The gap cannot be closed by the United States alone or even primarily. Whether our food aid is 4 million tons or 3 million tons is important for moral and humanitarian reasons; it is not decisive in dealing with the world food deficit which is already approaching 25 million tons and which can grow to 80 million tons in 10 years.

What we need is a systematic effort to increase world food production, especially in the less developed countries, to have the exporting countries organize themselves so that they know where to put their efforts, and to improve world food distribution and financing. That was the major thrust of our ideas. In addition, we're willing to give the maximum food aid that our economy can stand. But food aid by the United States cannot be decisive. It's a pity that it turned out to be the principal issue in the public debate. What happened after the conference in terms of setting up food reserves, exporters groups, and so forth, actually indicates that progress is being made. The conference was quite successful but the focus of some of the domestic debate was off-center.

Q: What policy do you think the world has to adopt for making sure countries have access to raw materials?

A: Last year at the special session of the General Assembly, I pointed out that we are facing a substantial change in world economic patterns. In the past, even the very recent past, almost all producing countries were afraid of surpluses. We're now in a period in which the idea of surpluses will seem a relic of a golden era. The pressures of population, industrialization, and increasing interdependence of the world economy impose on us some form of rational planning and interaction. I proposed a systematic study of world resources, of raw materials, to obtain a systematic estimate of what we will be up against, even with good will, over a period of the next decade or so. I believe that we need the sort of coherent approach which is now being attempted in the field of energy; it will either be imposed on us or we will

have to take the lead in developing it in other fields including food. One of our efforts at the Rome food conference was to show how a constructive approach might work in contrast to a restrictive cartel approach of the energy producers.

Q: Do you think there will be any legislation in the United States because the food situation, in which we have the position of the OPEC countries, is an explosive political question domestically?

A: We're going to face a problem. We have to come to an understanding with the Congress about the proper relationship between the executive and the legislative functions—what Congress should legislate and what should be left to executive discretion. The attempt to prescribe every detail of policy by congressional action can, over a period of time, so stultify flexibility that you have no negotiating room left at all. We recognize that the Congress must exercise ultimate policy control. But what is meant by that, how much detail, is what we intend to discuss very seriously with the congressional leadership when it reassembles. I would hope that the Congress would keep in mind that we need some flexibility.

Now, back to your question of how we can allocate food for use abroad and yet not drive food prices up too high in this country. That's a tough problem. We have to make decisions on that periodically in the light of crop reports, in the light of sustainable prices. Suppose we put on export controls that drove the prices down domestically, then we would also have a problem. We have to be prepared to pay some domestic price for our international position. If Japan were suddenly cut off from major imports of American agricultural goods, you would almost certainly have a dramatic reorientation of Japanese political life. That would have profound economic consequences for us also over a period of time. They may not be measurable today, they certainly are not fully demonstrable, but the consequences are certain. On the other hand, if you undermine your domestic position totally in the sense that the American public thinks the high food prices are largely due to foreign sales, then you have another unmanageable problem. On the whole the United States is a healthy society, so that the national leadership, if it explains its position properly, has a good chance of carrying the day.

Q: How long do you think the economies of Italy, the United Kingdom, and France can go without serious trouble because of the strains imposed by the oil deficits?

A: All West European economies, with the exception of the Federal Republic of Germany, are going to be in more or less serious trouble within the next 18 months. Which is another reason for striving for a much closer coordination of economic policies.

Q: Can this economic trouble lead to political trouble?

A: Without any question. Every government is judged not only by its performance but whether it is believed to be trying to master the real problems before

it. F.D. Roosevelt could go along for several years without a great improvement in the economic conditions because the public believed he was dealing with the problems. The danger of purely national policies is that they are patently inadequate for dealing with economic problems—especially in Europe—and as the sense of impotence magnifies, the whole political base will erode.

As it is, the Communist vote in Italy, and to some extent in France, has remained constant regardless of economic conditions. A substantial proportion of the population has felt sufficiently disaffected with the system, even when the system was performing well, that they voted Communist in order to keep pressure on. As the Communist vote grows, the flexibility of the political system diminishes. Economic decline in Europe would therefore have serious political consequences.

Q: There appears to be a rise in enthusiasm for the far right, too, a feeling that what is needed is an authoritative man that can cope with these labor problems, these inflation problems, etc.

A: If you have a major economic crisis, the emergence of authoritarian governments of the left or the right is a distinct possibility.

“What we need is a systematic effort to increase world food production...to have the exporting countries organize themselves...and to improve world food distribution and financing.”

Q: In Europe, the charge is made that you have sold out Western civilization for 18 months of peace in the Middle East. Why do Europeans feel this hostility toward the United States and toward you?

A: Well, of course I'd like to know who these Europeans are—for my own education. What would they have had us do?

Q: They're talking about military action.

A: The fact of the matter is that the governments they represent systematically opposed every move we made in the Middle East; every strong action that was taken in the Middle East was taken by the United States. Had we taken military action in the Middle East we would have faced violent opposition from their own governments.

The difficulty in the Middle East is caused in part by our inability to organize cooperation even for nonmilitary action. The efforts this administration made diplomatically to lift the oil embargo reduced, at least for a time, the dangers in the Middle East. It gave everyone a breathing space. We gave up nothing—except the possibility of military action, which was a chimerical idea. When we went on a military alert for one day, we were accused of having done it for political reasons. Was it conceivable that in the middle of Watergate the United States take military action? And for what purpose?

Why are the Europeans so hostile to the United States?...I think they suffer from an enormous feeling of insecurity. They recognize that their safety depends on the United States, their economic well-being depends on the United States; and they know that we're essentially right in what we're doing. So the sense of impotence, the inability to do domestically what they know to be right, produces a certain peevishness which always stops just short of policy actions. No foreign minister ever says this.

Q: Even though the trade bill has been passed, do you think the economic difficulties here in the United States and abroad will make it possible to reduce tariffs and nontariff barriers?

A: I think it is essential that we go into these trade negotiations with the attitude of creating a new international trading system. It is the only hope we have of avoiding the political consequences we talked about earlier. If we begin to draw into ourselves, we will cause a loss of confidence. We must act as if these problems can be overcome. Maybe they can't be, but they will never be licked if we do not build a new international economic environment with some conviction.

Q: Will Congress's restrictions on Export-Import Bank credits have any impact on trade with the Soviet Union or detente?

A: The congressional restrictions have deprived the United States of important, and maybe fundamental, leverage. The Soviet Union was much more interested in credits than it was in trade, because for the next four or five years it will have very little to give in reciprocal trade.

And this is one of those examples I had in mind before. If the Congress cannot trust the executive enough to use its credit authority with discretion, then Congress will not be able to deal with the problem by the sort of restrictions it put on—aimed at depriving the credit authority granted by Congress of any effective meaning. \$300 million over a period of four years is simply not enough to use as a bargaining chip with a major country. It has no significant impact on its economy, and therefore it is the surest guarantee it will be wasted.

For two years, against the opposition of most newspapers, we refused to extend credit to the Soviet Union until there was an amelioration of its foreign policy conduct. You remember various congressional amendments were introduced urging us to liberalize trade. The corollary of this was if there was more moderate Soviet conduct, trade and credits could open up. I believe that the recent Soviet statements on Jewish emigration have been caused, in part, by Soviet disappointment with the credit restrictions. But beyond that, a President who has only \$300 million of credit flexibility over four years is forced in a crisis more and more to rely on diplomatic or military pressures. He has no other cards. The economic card has been effectively removed from his hand.

Q: We were intrigued by the timing of the Soviet statement; it came when the trade bill was still in conference.

A: I think the Soviets wanted to make clear ahead of time what their attitude was so later they could not be accused of having doublecrossed us.

Q: Do you think that Soviet disappointment over credits will cause a hardening of their position on emigration of Jews?

A: If these trends continue in the United States, you can expect a general hardening of the Soviet position across the board over a period of time. They will not go back to the cold war in one day. But there are many things the Soviet Union could do that would make our position much more complicated. What could happen in Europe, in the Middle East, in Southeast Asia, if the Soviet Union pursued a policy of maximizing our difficulties? Most of the criticism leveled at the Soviet Union these days is that they are not solving our difficulties, not that they are exacerbating them. I think the restrictions on Ex-Im credits will have an unfortunate affect on U.S.-Soviet relations.

Q: Do you see any way that the countries of the world can better coordinate their economic and financial policies?

A: One interesting feature of our recent discussions with both the Europeans and Japanese has been this emphasis on the need for economic coordination. In April 1973, in my "Year of Europe" speech, I proposed the coordination of economic policies and of energy policies. At that time, the proposal was generally resisted on the grounds that we were trying to produce a linkage where the obligations had never run to economic matters. In all the recent meetings of the President with heads of government, and all the meetings I have had with foreign ministers, our allies and friends have absolutely insisted that we coordinate economic policies. So you have had a 180-degree turn in one year.

How you in fact coordinate policies is yet an unsolved problem; but it must be solved. Otherwise, we will have a succession of beggar-thy-neighbor policies and countries trying to take a free ride on the actions of their partners.

Q: Do you believe we have to go beyond what is done at the Organization for Economic Cooperation and Development?

A: I don't know if we need new structures, but I think we need new approaches to existing structures. I haven't thought through whether we need new structures.

In the next 10 years you will have coordinated fiscal policy, including ours. I am not saying they have to be identical, but they have to be coordinated.

We have greater latitude than the others because we can do much on our own. The others can't. But it is an important aspect of leadership to exercise our freedom of action with restraint and to let others participate in decisions affecting their future.

Q: Is there any chance of coordinating better U.S. international economic policy, particularly since the Council on International Economic Policy seems to be losing its power?

A: You can't look at policies of a government in terms of organizational mechanisms. The Council on International Economic Policy was created at a time when the National Security Council was essentially divorced from economic policies. Then it became clear that every economic policy had profound foreign policy implications and really required political inspiration and leadership to make it effective. You could never implement the energy policy as a purely economic matter; it has been a foreign policy matter from the beginning. When that happens, the issue tends to be pulled back into the orbit of the National Security Council. What you have had is a greater foreign policy involvement in economic policy decisions.

On the other hand, I think the relations between the State Department and Treasury have never been better, despite the occasional disagreements that surface in the newspapers. You expect disagreements. The issue is not whether there are disagreements but how they are settled. And they are always settled in a constructive, positive way.

On energy we have a group which I described before of Arthur Burns, Simon, myself, Robinson, and a few others who meet regularly to set the basic strategy in the international field. Whether we meet as the Council on International Economic Policy or as the National Security Council, the group has essentially the same membership.

"The pressures of population, industrialization, and increasing interdependence of the world economy impose on us some form of rational planning and interaction."

Q: Should there be additional legislation to protect U.S. industry from ownership by Arab oil money? If so, what shape should the legislation take?

A: We are now studying the ways that oil producers' money could be invested in the United States and what we should protect against. We haven't come to any conclusions because if you get a manageable minority interest, that would be in our interest. If you get actual control over strategic industries, then you have to determine how that control would be exercised before you know how to avoid it. There are some industrial segments we would not want to be dominated by potentially hostile investors. Since we haven't completed the study, I can't give you a conclusive answer. By the middle of January we will have concluded the study.

Q: Do you think a request for legislation will be the result of that study?

A: It may be a request for some sort of a board to monitor foreign investment, and the board would formulate some proposal. I am not sure about the shape of the proposal, but we need a systematic monitoring.

**DEPARTMENT OF STATE, U.S.A.
WASHINGTON, D.C. 20520**

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John Nessen

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TAGS: OVIP (KISSINGER, HENRY A.)
SUBJECT: SECRETARY KISSINGER TELEVISION INTERVIEW, TOKYO,
OCTOBER 23

FOLLOWING IS TRANSCRIPT OF 10-MINUTE INTERVIEW BY
SECRETARY KISSINGER WITH THREE TELEVISION NETWORK
CORRESPONDENTS IN TOKYO, OCTOBER 23. WE HAVE RE-
LEASED HERE, EMBARGOED UNTIL 0700 JAPANESE STANDARD
TIME, OCTOBER 24, 1975 (1800 EDT, OCTOBER 23, 1975):
DON OLIVER, NBC: MR. SECRETARY, SOMEONE SAID
THAT THE MEETINGS IN PEKING WERE IN A RATHER CHILLY
ATMOSPHERE WITH SOME CRITICISM OF THE UNITED STATES
ON THE OPENING NIGHT'S BANQUET AND RATHER CURT STATE-
MENTS ON THE CLOSING NIGHT. HOW WOULD YOU CHARACTERIZE
THE MEETINGS AND WHAT DO YOU THINK THEY ACCOMPLISHED?
MR. KISSINGER: THE CHINESE DESCRIBED THE MEETINGS
AS FRIENDLY AND WIDE RANGING WHICH I THINK IS ESSENTIALLY
CORRECT. WE HAD VERY FULL DISCUSSIONS. WE COVERED THE
TOPICS IN ABOUT THE MANNER IN WHICH WE EXPECTED AND WE
ARE SATISFIED WITH THE VISIT. I THINK IT LAID THE BASIS
FOR THE PRESIDENTIAL VISIT AND MAINTAINED THE RELATIONSHIP
AT THE LEVEL WHICH BOTH SIDES WANT.
BERNARD KALB, CBS: MR. SECRETARY, THE CHINESE MADE
A POINT AND HAVE MADE THE POINT OF ATTACKING VARIOUS ASPECTS
OF US FOREIGN POLICY THAT YOU PERSONALLY ARE VERY MUCH
AND PROMINENTLY IDENTIFIED WITH, THEY HAVE SHARPLY
ATTACKED DETENTE. THEY HAVE SHARPLY ATTACKED, FOR EXAMPLE,
THE HELSINKI CONFERENCE. DID YOU FIND IN ANY WAY THAT ON A
A PERSONAL LEVEL BECAUSE OF THESE POLICIES THE CHINESE WERE
A TOUCH COOL IN YOUR DIRECTION?

*****WHSR COMMENT*****

~~SECRET~~, VANDERHYE FOR NESSEN



MR. KISSINGER: NO, PERSONAL RELATIONS ARE OUTSTANDING. THIS WAS MY EIGHTH VISIT TO CHINA IN FOUR YEARS. THESE ARE ALL PEOPLE I KNOW WELL. WE DON'T GO TO CHINA TO ASK APPROVAL FOR OUR OTHER POLICIES. THEY DON'T ASK APPROVAL FOR THEIR POLICIES. SO WE DISCUSS MATTERS OF MUTUAL INTEREST AND ON THE PERSONAL LEVEL THE RELATIONSHIP IS EXTREMELY GOOD.

TED KOPPEL, ABC: MR. SECRETARY, YOU HAD AN XTRA-ORDINARILY LONG MEETING WITH CHAIRMAN MAO. DO YOU REGARD HIM ON THE BASIS OF YOUR MEETING AS STILL AN ACTIVE FORCE IN CHINA TODAY OR DOES HE HAVE A LARGELY HONORIFIC ROLE?

MR. KISSINGER: WELL I CANNOT DETERMINE THE INTERNAL ARRANGEMENTS IN CHINA, BUT MY IMPRESSION WAS OF A MAN OF VERY POWERFUL INTELLIGENCE, VERY STRONG VIEWS AND I SEE NO REASON TO DOUBT THAT HE IS IN CHARGE OF EVENTS IN CHINA.

TED KOPPEL, ABC: I UNDERSTAND THAT YOU CAN'T GO INTO DETAIL, BUT CAN YOU GIVE US THE SENSE OF THE MOOD. HOW DID THESE MEETINGS GO WHEN YOU WENT IN TO SEE MAO?

MR. KISSINGER: THEY'RE IN A RATHER SPARSE ROOM AND HE LIKES TO JOKE. I HAVE LEARNED THAT ALL OF HIS REMARKS ARE RATHER CAREFULLY THOUGHT OUT. I THINK THE DISCUSSIONS WERE WELL DESCRIBED AS WIDE RANGING, VERY ACUTE.

BERNARD KALB, CBS: MR. SECRETARY, DO YOU HAVE THE FEELING THAT THE CHINESE WANT, VERY MUCH SO, THE UNITED STATES TO REMAIN IN ASIA?

MR. KISSINGER: I HAVE THE IMPRESSION THAT THE CHINESE, WITH ALL THE THINGS THAT MAY HAVE BEEN SAID AT THE BANQUETS-- I THINK THE CHINESE BASICALLY UNDERSTAND OUR GLOBAL POLICY-- AND UNDERSTAND THE NECESSITY OF OUR ROLE IN ASIA-- AND CERTAINLY HAVE GIVEN NO SIGN EITHER TO US OR TO ANY OTHER COUNTRY THAT THEY WANT US TO END IT.

BERNARD KALB, CBS: ARE YOU SUGGESTING THE CHINESE WOULD LIKE TO SEE THE UNITED STATES REMAIN IN ASIA?

MR. KISSINGER: WELL I THINK IT IS FOR THEM TO SAY WHAT THEY WOULD LIKE TO DO. I HAVE HEARD NO OPPOSITION TO IT NOR TO MY KNOWLEDGE HAVE OTHER ASIAN COUNTRIES.

DON OLIVER, NBC: WITH THE POSSIBILITY OF A CHANGE IN LEADERSHIP IN CHINA WITH MAO ILL, WITH CHOU EN LAI IN THE HOSPITAL, DO YOU FEEL THE CHINESE ARE IN ANY POSITION RIGHT NOW TO MAKE ANY COMMITMENTS TOWARD PROGRESS IN US-SINO RELATIONSHIPS?

MR. KISSINGER: IT DEPENDS ON WHAT YOU MEAN BY PROGRESS IN US-SINO RELATIONSHIPS. ON THE ISSUES OF GLOBAL INTERNATIONAL CONCERN, WE HAVE MANY POINTS OF COMMON VIEWS AND WE ARE PURSUING THOSE. ON OTHER ISSUES OF PURELY BILATERAL NATURE HAVING TO DEAL WITH COMMERCIAL RELATIONS AND SO FORTH, WE ARE NOT ADVANCING MATTERS A GREAT DEAL. BUT THOSE ARE ESSENTIALLY OF SECONDARY IMPORTANCE. I DON'T KNOW HOW MUCH THIS IS RELATED TO THE LEADERSHIP POSITION. I THINK THIS IS A CALCULATED POLICY OF THE CHINESE LEADERSHIP.



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UNCLAS SECTION 2 OF 2 SECTD 16129

TED KOPPEL, ABC: MR, SECRETARY, IT'S BEEN ALMOST A YEAR SINCE YOU WERE IN CHINA LAST AND A GREAT DEAL HAS HAPPENED WORLDWIDE SINCE THEN AND A GREAT DEAL HAS HAPPENED INTERNALLY IN THE UNITED STATES. DO YOU HAVE THE FEELING THAT CHINA'S PERCEPTION OF US HAS CHANGED AND IF SO IN WHAT DIRECTION?

MR. KISSINGER: CHINA'S INTEREST IN THE UNITED STATES DEPENDS ON THEIR PERCEPTION ON HOW EFFECTIVELY WE PERFORM INTERNATIONALLY AND HOW ABLE WE ARE TO CARRY OUT OUR POLICIES OR TO GET DOMESTIC SUPPORT FOR OUR POLICIES. I WOULD GUESS THAT SINCE I FIRST WENT THERE IN 1971, THE SERIES OF UPHEAVALS WE HAVE GONE THROUGH HAVE NOT GREATLY STRENGTHENED THAT PERCEPTION, BUT ON THE WHOLE, IA AM SATISFIED WITH THIS TRIP. I THINK THE RELATIONS BETWEEN CHINA AND THE UNITED STATES ARE BASICALLY SOUND.

TED KOPPEL, ABC: IF I UNDERSTAND YOU CORRECTLY YOU SEEM TO BE SAYING THAT THE CHINESE FEEL WE ARE A SHADE WEAKER THAN WE WERE TWO OR THREE YEARS AGO.

MR. KISSINGER: WELL, I'M NOT SAYING THIS IS NECESSARILY EXPLICIT, BUTH THIS COULD BE PART OF THEIR PERCEPTION.

TED KOPPEL, ABC: BUT THIS IS YOUR SENSE?

MR. KISSINGER: IT'S PROBABLY TUE, BUT AGAIN I WANT TO STRESS THAT THE BASIC RALTIONSHIP WAS SOUND ON THIS TRIP.

BERNARD KALB, CBS: MR, SECRETARY, LISTENING TO SOME OF THE CHINESE OFFICIALS THAT WE TALKED WITH, WE GOT THE FEELING THAT IN THEIR ATTACKS ON DETENTE THEE SEEMED TO BE A DESIRE, A HOPE, ON THE PART OF THE CHINESE THAT THE UNITED STATES WOULD GO BACK TO THE COLD WAR DAYS VIS-A-VIS THE SOVIET UNION. HOW DO YOU HANDLE THAT ON IN YOUR NEGOTIATIONS?

MR. KISSINGER: WE DO NOT MAKE ANY ATTEMPT TO ENCOURAGE THIS SPLIT BETWEEN THE SOVIET UNION AND THE PEOPLE'S

*****WHSR COMMENT*****

VANDERHYE for NESSEN



REPUBLIC OF CHINA. WE DO NOT TELL THEM HOW THEY SHOULD CONDUCT THEIR RELATIONS WITH THE SOVIET UNION AND WE CONDUCT OUR OWN RELATIONS WITH THE SOVIET UNION. SIMILARLY, WE DO NOT PERMIT THE SOVIET UNION TO TELL US HOW TO CONDUCT OUR RELATIONS WITH THE PEOPLE'S REPUBLIC. THE TWO GREAT COMMUNIST COUNTRIES HAVE A MAJOR DISAGREEMENT OF THEIR OWN AND IT IS UP TO THEM HOW TO DEAL WITH IT.

BERNARD DALB, CBS: FORGETTING ABOUT WHAT ONE SIDE MAY TELL THE OTHER, HOW DO YOU HANDLE THE SUBJECT, HOW DID BOTH SIDES HANDLE THE SUBJECT, OF THE SOVIET UNION DURING THE TALKS?

MR. KISSINGER: WHEN THE OCCASION ARISES WE STATE OUR PERCEPTION OF THE PROBLEM AND IT'S OBVIOUS THEY'RE STATING THEIR PERCEPTION---WE SHOULD HOWEVER NOT OVERLOOK THE FACT THAT BOTH OF US ARE OPPOSED TO EXPANSIONISM. WE MAY HAVE DIFFERENT PERCEPTIONS ON HOW TO RESIST IT OR WHETHER IT IS POSSIBLE TO EASE THE CONDITIONS, BUTH THE UNITED STATES HAS NO ILLUSIONS, THAT, IF THERE IS EXPANSIONISM, WE HAVE MANY INTERNATIONAL OBLIGATIONS TO RESIST IT.

DON OLIVER, NBC: DID THE CHINESE GIVE YOU ANY INDICATION THAT THEY FEEL THAT DETENTE WITH THE SOVIET UNION, FROM THE AMERICAN POINT OF VIEW, IS A BAR TO BETTER RELATIONS WITH CHINA?

MR. KISSINGER: NO, NO SUCH POINT WAS MADE TO US.

DON OLIVER, NBC: DID THE CHINESE SEEM TO BE WORRIED ABOUT THE RELATIONSHIP?

MR. KISSINGER: NOR WOULD WE ACCEPT SUCH A PROPOSITION FROM EITHER THE SOVIET UNION VIS-A-VIS CHINA OR FROM CHINA VIS-A-VIS THE SOVIET UNION.

TED KOPPEL, ABC: WOULDNT IT BE FAIR TO SAY THEN, MR. SECRETARY, THAT THE CHINESE ARE NOT HAPPY WITH WHAT THEY SEE AS A SOFENING OF OUR RELATIONSHIP TOWARDS THE SOVIET UNION. DONIT THEY WANT TO SE US TOUGHEN IT?

MR. KISSINGER: WELL, SINCE WE OPENED OUR RELATIONS WITH CHINA IN 1971--AND AFTER ALL I WAS ONE OF THE PRINCIPAL ARCHITECTS OF THIS--AT THAT TIME WERE ALREADY ENGAGED IN IMPROVING OUR RELATIONS WITH THE SOVIET UNION. WE HAVE PURSUED THE IMPROVEMENT OF RELATIONS WITH BOTH SIDES SIMULTANEOUSLY.

TED KOPPEL, ABC: NO, I UNDERSTAND THAT BUT I'M ASKING YOU ABOUT THE CHINESE ATTITUDE. IT SEEMED TO US THAT THEY WANTED THE UNITED STATES TO GET TOUGH WITH THE SOVIET UNION.

MR. KISSINGER: NO, BUT YOU HAVE TO DISTINGUISH BETWEEN THE FORMAL POSITION OF THE CHINESE AND WHAT WE MAY BE TALKING ABOUT PRIVATELY. IN ANY EVENT WE DO NOT CONSIDER THAT A BASIC SUBJECT OF NEGOTIATIONS.

NEWSMEN: THANK YOU.

KISSINGER





TEXT FOR RELEASE TO MONDAY A.M. PAPERS MAY 17

Attached is the text of an interview with Secretary of State Henry A. Kissinger filmed by Barbara Walters for presentation on the "Today" program Monday, May 17, on the NBC Television Network.

The interviewed was filmed in the State Department in Washington Saturday, May 15.

INTERVIEW BY BARBARA WALTERS OF
THE HON. HENRY KISSINGER,
SECRETARY OF STATE

5/15/76

Q Mr. Secretary, how do you feel knowing that you are the target of criticism for a whole segment of the Republican party? How do you feel knowing that you are considered a liability?

A Foreign policy is an important aspect of the lives of Americans and most Secretaries of State have been the subject of attack at one point or another. I don't look at my task as a political one. I have to do the best I can for peace and the economic factors of the United States and I can't worry about particular political attacks.

Q Doesn't it ever get to you personally? It has been an awful lot.

A My father, who collects ^{news clips} ~~film clips~~ on me indicates that he would prefer getting different ones than the ones he has been receiving. I would prefer more unanimity, but I can live with that is going on.

Q If President Ford is re-elected, would you stay on as Secretary of State?

A I don't want to tie the conduct of foreign policy to me personally. If a foreign policy is well designed, then it should be able to be carried out by many people.

So, on the whole, I would prefer not to stay.

On the other hand, I don't want to say today, when I don't know the circumstances that exist, the necessities that the President may feel he has, that I won't even listen to him, but on the whole I would prefer to leave.

Q One of the most controversial matters about you has been the report in the Woodward and Bernstein book, The Final

Days, that Richard Nixon, in those final days, asked you to get down on your knees and pray with him and then sobbed in your arms. Woodward and Bernstein say this is true, that you repeated this story to your aides. Is this true or false?

A I have taken the position that I would not comment on incidents in the Woodward and Bernstein book. The last week of President Nixon's incumbency was a very tragic, personal experience for a man who had gone through a great deal of travail, and with whom I had worked closely.

I do not believe that the authors understood the complexity of human ~~ex~~ motivations in all the accounts they gave of various incidents, but I do not want to go into the details of what was a very difficult and a much more complicated period.

Q I have to pursue this, Mr. Secretary, because this is such a telling point. As far as the motivations, that is something one can have disagreement about, but as to whether an incident occurred when there are only two people who would know it, one being the President and one being the Secretary of

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State and the Secretary of State refuses to say whether it is accurate or not, leaving aside the motivations, I think it is very hard for an audience to understand why.

A Because I believe that for me -- if I start going into one event, I have to go into all events.

Q Well, that is the major one.

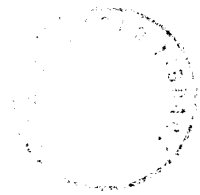
A If I go into all events, I will then have to write my perception of the history of that period. I simply believe that it is not appropriate for me, for somebody who had such close experience now to go into essentially personal matters on television or anywhere else.

Q Is the book essentially accurate?

A I think the rendition of the sequence of events, insofar as I know it, it was essentially accurate.

Many other aspects of the book I consider factually inaccurate.

Q. Another pt. of controversy about you stems from the statement allegedly made by you to Admiral Elmer Zumwalt, former Chief of Naval Operations.



Q In his book he quotes you as saying that in 1970 you said "The United States has passed its historic high point. It is on a downhill. My job is to negotiate the second-best position for the United States available before the Soviet Union and the United States both perceive these changes in balance ~~of a code~~ ^{have occurred."}

Did you ever say anything like this?

A I think the statement is totally untrue. Admiral Zumwalt alleges that I made this statement on a train going to an Army-Navy football game. Now, if anybody has ever been on a train going to an Army-Navy football game, you cannot imagine that a group of Admirals and advisors to the President sit together and discuss the relationship of Athens to Sparta and whether that is a particularly good audience to which ^{to} you say the United States has passed its zenith. Nor when you go to an Army-Navy football game with the Chief of Naval Operations do you expect that he then writes a memorandum of conversation God knows how many days or weeks later of his recollection of what may or may not have been said. I did not say it. It is not my view.

Our policy has never been conducted on that assumption. Our policy assumes that the United States can achieve its purposes in this world and can work for peace without giving up its values or interests.



Q Do you see the United States now as a country that has passed its historic high point? Do you see it --

A ^{do not see} I view the United States as having passed its high point. I believe that the United States has its most creative period in foreign policy still ahead of it and the whole design of our foreign policy over the past eight years has

Q You also supposedly said to Admiral Zumwalt, "the American people lack the will to do the things necessary to achieve strategic parity and to maintain ~~an~~ superiority."

Is that incorrect?

A I think Admiral Zumwalt is running for the Senate in Virginia against somebody who is not called Kissinger, but I am not sure he has yet fully understood this. I do not believe that the United States lacks the will to achieve strategic parity. I have supported, since I have come here, every budget recommended by the Defense Department. I believe we have strategic parity. I believe we can maintain it. We have suffered no setback ~~anywhere~~ anywhere in the world ever for lack of strength.

~~Our setbacks have occurred either because we set ourselves objectives which our public would not support, which was a failure of the Administration, such as the Vietnam War in the sixties, or because the Congress would not support what the Administration considered international interests, such as in Angola. But in both cases we had the power to prevail and we have suffered no setback for lack of strength. I would never accept the proposition that the United States has become second best or while I am in office stand for a defense budget insofar as I could recommend it to the President that would make us second best.~~

Q. *What is your view of the Panama Canal?*

A. First of all, it has to be understood that these negotiations on the Panama Canal are not something that was invented recently. The negotiations on the Panama Canal have been going on for 12 years. They have been conducted by three different Presidents and they have been conducted by three different Presidents because each of them came to the conclusion that he had an obligation to see whether it was possible to assure the safe and neutral passage of ships of all nations, including, of course, of the United States, through the Panama Canal without alienating all of Latin America.

Up to this moment, not one line of agreement has even been put down on paper. After such an agreement exists,

which is -- I don't know -- certainly not imminent -- after such an agreement exists, one-third and one members of the Senate can block it. We need two-thirds vote of the Senate to ratify. Before we conclude it we will discuss it in full detail with both Houses of the Congress.

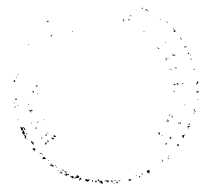
If necessary, we will defend the Panama Canal. When we defend the Panama Canal, we want to be able to tell the American people that we made every effort to achieve a better arrangement and we cannot ~~fix~~ agree to the proposition that a President should not even make that exploration and should not even engage in a negotiation to see what is possible, which is all that is going on at this moment.

Q But if at the final line we have to send troops to defend it -- if there were a war, we would send troops?

A If we have to defend the Panama Canal, we will defend it. That will depend on whether we can get the ^{terms} ~~determinations~~ we consider essential for our security.

Q Mr. Secretary, let's turn to another part of the world, to Africa.

Realistically, how can we support the black majority while protecting the white minority? If fighting breaks out, the ~~xxx~~ probability is we will not commit troops; that Congress would not allow us to, so, what leverage do we have?



A The problem in Africa, before my trip was that war in southern Africa had already started, that we had seen, in other parts of Africa, that if these operations continued to gain momentum, the danger of Soviet and Cuban intervention would multiply and that therefore we would see more and more external intervention and the radicalization of a continent upon which we depend for 30 to 60 percent of our imports of critical materials, and Europe, from 60 to 90 percent of some -- and Japan -- of some of their critical materials like manganese, cobalt and similar items.

The United States is attempting to deflect this into a peaceful path and to give the nations in the area a moderate alternative and to give the black and white communities an opportunity to work out their destinies through negotiation with each other.

The ~~XXXXXXXX~~ leverage we have is, if we can promise them, or if we can indicate progress, and hope, rather than conflict, that perhaps all of the parties will conclude that negotiation is preferable to bloodshed.

Q Mr. Secretary, there has been much talk that your trip to Africa hurt President Ford's chances in the primaries in several southern states. One member of the Ford Election Committee is quoted in Newsweek Magazine as saying "Sending Kissinger to Africa to be the black man's brother right before three southern primaries was insane". Many people say it was great to ~~ak~~ make the trip, but ~~xxxxxxx~~ the trip could have waited.

Q Wouldn't it be better for the policies you want to be implemented later?

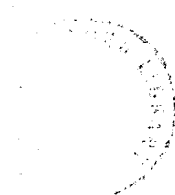
A I wasn't sent to Africa to be anybody's brother. I was sent to Africa to prevent a conflagration in the southern part of Africa and to see whether the Communist influence from the Soviet Union and Cuba could be checked and a hopeful evolution could be started. Now, as to my trip --

Q Couldn't you have done it after the Texas primary, for example?

A It is my responsibility as Secretary of State to recommend to the President the best timing. The timing was dictated by these factors: There was a meeting in Nairobi, an international meeting at Nairobi, in which I wanted to address on behalf of the President and Administration, about international developments.

Secondly, several of the key leaders of Africa whom I had to see on this problem were leaving for the month of May, on various trips they ~~ax~~ had already planned. This was why I picked the period.

The President and I went over this in great ~~much~~ detail. As in all other things, he personally approved every proposal that I made. I briefed the Cabinet two weeks before I went, in the presence of all of



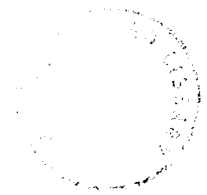
the political experts, and nobody said this was a bad time to go, and I don't believe that it is my obligation as Secretary of State to introduce political considerations into the conduct of foreign policy.

The President decided that this was the right time to go and I think he deserves a great deal of credit for focusing on the substance of foreign policy and not gearing it to the weekly primaries that are taking place.

Q Mr. Secretary, may we turn to the Middle East?

~~President Ford said this past week that Israel must agree to give back more tangible land for the intangibles of peace. Specifically what did he have in mind?~~

~~A Both President Ford and I spoke on this subject and we both called attention to the dilemma that Israel faces. In order to get peace, it will have to give up territory which is tangible for assurances of peace which are intangible. Israel agrees it will give up territory in order to make peace, so it is no dispute between us and Israel on that subject.~~



Q said this week he thought it might be possible to have negotiations with Syria during this year to end the state of war. He said they would need the help of a third nation. That is probably the United States. Now, is that the next step, negotiation with Syria?

A We are prepared to be helpful in whatever forum the parties can agree to. Until recently Syria has taken the position that it would not negotiate separately but only together with other Arab countries. But Prime Minister Rabin was here in the United States in February. We agreed on certain ~~procedures~~ procedures that could be followed and certain proposals that could be made. We began exploring these ideas with various Arab Governments. When the situation in Lebanon erupted to the point that it absorbed all of the energies of all of the parties and therefore the process of exploration has been

interrupted since the end of March. Not because it has been --
not
because there have/been any conclusive answers, yet. I believe that as the situation in Lebanon settles down it may be possible to begin -- it will be possible to begin this process of exploration again.

In this Israel indicated it was prepared to proceed on all fronts simultaneously in return for a certain progress towards ending the state of war. We have as I said, had no conclusive answers. If that approach does not work, then we will have to talk to the parties again, either about the possibility of separate negotiations or some other framework for all of the negotiations.

Q The first time you and I did an interview together it was eight years ago and I asked if you thought the crisis in the Middle East would be over in ten years and you said yes. That gives us two more years to go.

A Three more years.

Q I don't add. That is one of my problems. Three more years to go.

A I think in three more years we can have made very substantial progress towards peace or achieved peace.


Q Do you think we may have peace in three years?

A I think it is possible.

Q Mr. Secretary, turning to Vietnam, are you surprised that there was no blood bath there, as was predicted?

A I am gratified that in Vietnam itself there has not been a blood bath, although in Cambodia there has been horrendous suffering and hundreds of thousands killed and by any definition there has been a terrible blood bath in Cambodia. We don't know yet what is going to happen in Vietnam. It is only a year since Saigon fell and the process of assimilation has only started. But we would be very pleased if the loss of life and suffering in Vietnam ^{would} ~~were~~ have finally stopped.

Q When do you think the United States will recognize the Government of Vietnam? What would it take for us to do that?



A

A I think the ^{issue} ~~difficulty~~ between us and Vietnam is the accounting for of missing-in-action and full accounting for the remains of Americans who were shot down over Vietnam or otherwise killed in Vietnam. This is the ~~absolute~~ absolute precondition without which we cannot consider the normalization of relations. All our talks with the North Vietnamese up to this point have concentrated, I would say, almost exclusively on the subject of the American missing-in-action, and only as we make progress on that can we begin other diplomatic conversations.

Q Are you making progress?

A So far we have not made any progress, no.

Q Why?

A Because the North Vietnamese believe that they can blackmail us by using the remains of Americans to ~~restore~~ ^{extort} economic and other aid and we will not be blackmailed by the American suffering and we will not attach any conditions to the missing-in-action.

Q China. Have you had any contact, have you had any word through the Chinese envoys in this country that the policy and the relationships with the United States are the same since the new government in China has taken place?

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A All the indications -- all indications are that the relations between us and China have not been affected by the domestic changes in the People's Republic and every conversation that American officials or other Americans have had in China have confirmed this.

Q Do you have any plans or would you like to go back to China now and meet the new leader?

A It has been an annual event, but I think I should wait until our own domestic turmoil has calmed down a bit.

Q Can you imagine yourself going before, let's say, November, or January?

A I can imagine myself going before January, but not so easily before November.

Q Cuba. You warned Cuba against further intervention in Africa?

A Yes.

Q Suppose Cuba doesn't take your warnings? Suppose it sends troops to Rhodesia. What will the United States do?



A Well, our African policy is designed to avert this eventuality.

Q But suppose?

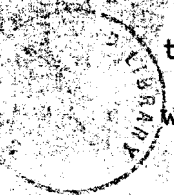
A If Cuba -- I have said repeatedly -- if Cuba engages in further military adventures, it will raise the gravest question for the United States. I said it before the Senate Foreign Relations Committee only last week; I have said it publicly --

Q With what, troops? Would we send troops? We have given these warnings and a lot of people say "Fine, Mr. Secretary, you give these warnings, but, you know, what ~~specifically~~ specifically are you talking about?"

A What we would do and where we would do it, I don't think we should discuss now, and I don't believe that the danger is imminent. I believe that we can avert the problem. But if the Cubans engage in military adventures in Africa, it can only be as surrogates of the Soviet Union, and if that happens, we are facing a serious international crisis, which we would then discuss fully with the Congress, explain fully to the American public, but towards which this Administration will certainly not be ~~in business~~ indifferent.

Q Mr. Secretary, earlier in this interview we talked about the vague possibility but still the possibility that there might be war, a battle over Panama. You said if there were that we would fight, that is correct, we would send troops. Now, if you say it about one part of the world, I would think you would be willing to say it about another.

If Cuba should intervene with troops in Africa, would



there be a possibility of our ~~soon~~ sending troops?

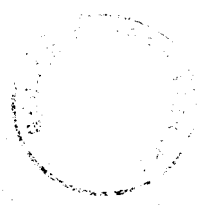
A I would think that it is a problem that can be dealt with without sending troops to Africa, but I also believe that it is the primary objective of our foreign policy to prevent this from happening, and I am confident that we can prevent it, or at least I hope very much that we can prevent it from happening.

Q The way you answered that question makes me want to ask, are you then talking about taking some ~~direction~~ action in Cuba?

A Barbara, I think it would be extremely unwise for me to say what we will do in circumstances that have not yet arisen, on which we have not made any final decision, but I must warn, I can only warn any country, any outside power, that thinks of military adventures in Africa, that it would not be taken lightly in the United States.

~~Q Has anybody on the President's re-election committee suggested to you that it might be helpful if you resigned?~~

~~A No. Nobody has mentioned this to me.~~



THE WHITE HOUSE
WASHINGTON

Ron,

attached is full
transcript of
HAK interview.
Unscratched items
will be used this
evening.

Cathy deSibour



INTERVIEW OF SECRETARY KISSINGER
BY BARBARA WALTERS, ABC TELEVISION

OCTOBER 14, 1976

MISS WALTERS: Mr. Secretary, what did you think as you were listening to the debate last week and the President's statement about Eastern Europe?

SECRETARY KISSINGER: Well, it was clear to me that he had misspoken. It was so contrary to his record and convictions that I realized that he had misspoken.

MISS WALTERS: Do you think it did any damage in our relationship either in those countries or here?

SECRETARY KISSINGER: I don't think it did any foreign policy damage. And I think it is so clear that this is not what he meant, this is not what he ever stood for that --

[At this point they were interrupted by camera malfunction, and they started over.]

MISS WALTERS: Mr. Secretary, what did you think when you heard the last debate and heard the President's statement about Eastern Europe?

SECRETARY KISSINGER: It was obvious to me that he had misspoken; ~~his answer~~ was so contrary to his convictions and so contrary to his public record that it

BEGIN

X

was clear to me that he had just misspoken.

MISS WALTERS: You're a man of fine emotions. Can you tell us what you said and what went through your head?

SECRETARY KISSINGER: Frankly, I didn't think it as seriously at that time because it was clear to me that this was something that didn't reflect his views and that could be straightened out and that really much too much attention has been paid to it.

MISS WALTERS: Mr. Secretary, most Americans got their view of the differences in foreign policy between President Ford and Governor Carter ^{in that last} ~~from that~~ debate, and many people felt there was little difference. Briefly, could you tell us ^{whether} ~~there~~ in your view ~~there~~ is essential difference between the Republican and Democratic foreign policy?

SECRETARY KISSINGER: Barbara, ^{really} I consider my job to be a nonpartisan job, and I would rather not do it in partisan terms. So if you ask it in some other way I will be glad to answer it.

MISS WALTERS: Well, at one point when Governor Carter originally talked of his foreign policy, his view of foreign policy, you said it was quite similar to your own. Is it still similar to your own?

SECRETARY KISSINGER: That was at a time when it was encompassed in one speech Governor Carter gave earlier in the campaign, even before the campaign when he was still a candidate. As he has elaborated his thinking, I have many things that I strongly disagree with and other aspects in which I don't think he has been correctly briefed. But I really would rather not get into a partisan debate.

MISS WALTERS: Well, can you give us any aspect of how foreign policy might differ in a different administration?

SECRETARY KISSINGER: Well, I'm not very clear from what has been said what is in mind. Take the issue of secrecy. I believe that the American public must know the major direction of American foreign policy. And for this reason I have testified before Congressional committees over eighty times, I have given fifty public speeches, I've held nearly a hundred press conferences since I am in office.

On the other hand, in a detailed negotiation it is impossible to put forward all the details because sometimes it is difficult for a leader, for a foreign leader, to live with the concessions he is making after they are accepted, but if he puts them forward during the negotiations he will pay a heavy price before it even gets

implemented.

The final results must be fully explained to the public. In the negotiating process there has to be some latitude while the negotiations are going on.

So all of us are in favor of telling the American people where we are going, what we are doing, and what they can expect.

MISS WALTERS: Mr. Secretary, in looking at the situation in Africa most Americans know that you shuttled back and forth in Africa, that you ^{em} seem to have made an agreement to guarantee ~~the~~ black majority rule in Rhodesia and peace in that part of the world. Now, many in Africa on both sides seem to be waffling. In short, Mr. Secretary, are the agreements you made going to stick?

SECRETARY KISSINGER: It is a very complicated process in which the ^{are} several factions on the European side, ^{there} are five African Presidents, four liberation movements, all of which have constituencies to appease — so inevitably you are going to get a lot of public statements. But the process is moving forward. The conference, in my view, will be assembled, and there will be a result that will bring about majority rule, minority rights, and peace in Rhodesia.

It is going to be difficult. And if the radicals get control of the process, it may fail. But right now I would

say good progress is being made.

X
X
X
2 MISS WALTERS: Mr. Secretary, turning to the Middle East, it seems that the PLO at this time is being wiped out in Lebanon. Will ~~they in the~~ ^{their influence} end, and will this help ~~at all in~~ ^{resolve} the underlying problems ^{in the Middle East?}

SECRETARY KISSINGER: I don't think the PLO is being wiped out. But I think all of the countries in the Middle East are seeing in better perspective what the function of various groups is. I think that conditions are coming about in which progress towards peace in the Middle East can again be made. I believe that after the Lebanon crisis is either resolved or reduced in intensity that we can turn towards the process of peacemaking in the Middle East with some of the best prospects that have existed in decades.

MISS WALTERS: Do you think you will have to go to Lebanon? Will the United States be more involved in the settlement than they have been?

X
SECRETARY KISSINGER: I don't think the United States can settle the Lebanon crisis. We ^{can} ~~will~~ be helpful; we will be glad to give advice; but this is an issue that concerns the Arab nations and Arab groups, and they have to settle it among themselves.



MISS WALTERS: China ^{now has} ~~is under~~ new leadership, and we've been talking since the Shanghai Agreement in 1972 about normalization, which really comes down to coming to some agreement about Taiwan. Specifically, are we going to do anything more about Taiwan than continue to talk about it? If we are, when?

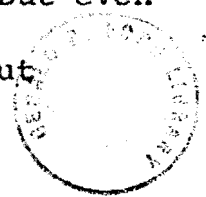
SECRETARY KISSINGER: There are two aspects to our relationship with China. One is the overall international situation, in which both the Chinese leaders and we have said there are certain ^{comparable} ~~comparable~~ interests.

The second is the problem of normalization. On normalization with China, we have stated that we are ready to move forward. We have also stated an approach which up to now the Chinese Government has not been prepared to accept. So we are prepared to continue to negotiate on the subject. We are prepared to make serious effort. But when it will finally be realized I cannot say at this moment. But even before ~~the~~ normalization, China and we can carry out parallel policies on many issues. And we have.

3

MISS WALTERS: Does this new leadership in China affect our relationship with them, as far as you know, right now?

SECRETARY KISSINGER: The truth is we really don't know too much about the new leadership in China. We believe



that the foreign policy of a country depends on its basic interests, and we think that those have many (irreconcilable),

X
X

(4) MISS WALTERS: Do you know yourself Hua Kuo Feng?

SECRETARY KISSINGER: I never met him. I understand he was at some banquet that I attended when the two Presidents were there, but at that time he was not in a position that would draw him to our attention.

(5) MISS WALTERS: And you have no recollection of him?

SECRETARY KISSINGER: I have no recollection. I don't believe I have ever talked to him.

(9) MISS WALTERS: Mr. Secretary, after eight years of working on foreign policy, can you imagine four years more in the Government?

last
Q & A

SECRETARY KISSINGER: I can imagine it, but my staff can't.

MISS WALTERS: Is it something that you would look forward to?

SECRETARY KISSINGER: I have not made any decision. After the election I owe it to the President, if he wants to talk to me about it, as he indicated he would, to talk to him about it. But my view has been that eight years ought to be enough, but I don't want to make a final decision

until the President has talked to me.

~~Mr. Secretary, the Russians~~

6

MISS WALTERS: ~~Mr. Secretary, the Russians~~

~~delivered a sharp attack before the UN General Assembly
and the diplomatic relations and you responded equally sharply.~~

~~Are we still I want to take that again.~~

Mr. Secretary, the Russians delivered a sharp attack before the UN General Assembly on diplomatic relations with China, and you responded equally sharply.

Are the relations now between those two countries chilly?

SECRETARY KISSINGER: The problem of peace remains the paramount concern. That affects importantly the United States and the Soviet Union since we have the capacity to blow up the world. On the other hand, you cannot have peace if one nation reserves to itself the right to exacerbate disputes all over the world and encourage the most violent solutions.

In Africa what we are attempting to do should not be contrary to anybody's interest. We have nothing to gain there except peace, which ought to be to everybody's benefit. If the Soviet Union insists on thwarting this, it must have an effect on our relationship, and it will have. But we must also keep in mind that sooner or later the problem of peace among the nuclear powers must be solved, and it must remain one of our basic objectives.



x (7)

MISS WALTERS: ~~Has~~ ^{Has} it been on the relationship yet between the two countries?

SECRETARY KISSINGER: It has certainly made us ask ourselves some questions, because we will not accept the proposition that one country can all over the world increase tensions and at the same time talk about peaceful coexistence. They have got to do one or the other. If they want peaceful coexistence, they must be responsive in helping us settle disputes.

(8)

MISS WALTERS: Does that mean the principle of detente (inadvisable) ^{whether you use that word or not — the principle is dead?}

SECRETARY KISSINGER: The principle of detente is important, but detente must be reciprocal.

MISS WALTERS: Thank you, Mr. Secretary.

* * * *

RETAKE OF QUESTIONS

MISS WALTERS: Mr. Secretary, in your view, what are the differences between Ford and Carter on foreign policy?

Back to p. 7.

MISS WALTERS: Mr. Secretary, in your view, what are the differences between President Ford and Governor Carter in foreign policy?

How would foreign policy be different under a new administration?



Miss Walters:

Mr. Secretary, how would foreign policy under a new administration be different?

* * *

