

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

~~SECRET/NODIS/XGDS~~

MEMORANDUM OF CONVERSATION

PARTICIPANTS: Dr. Henry A. Kissinger, Secretary of State
 and Assistant to the President for National
 Security Affairs
 Senator Dewey F. Bartlett (Oklahoma)
 Senator Paul J. Fannin (Arizona)
 Senator Clifford P. Hansen (Wyoming)
 William Timmons, Assistant to the President for
 Congressional Affairs
 Brent Scowcroft, Deputy Assistant to the President
 for National Security Affairs
 David Stang, Staff
 Harrison Loesch, Staff

DATE: January 10, 1974

PLACE: Secretary's Office
Department of State

SUBJECT: Congressional Trip to the Middle East

Kissinger: On Iran. They are supportive and a good friend. We are unhappy about the price rise. You could say it might produce a reaction in which they would be hit.

I have seen innumerable groups on the Middle East. The Arabs are very attractive and even have a good case.

Originally, we can't compete with Europe and Japan, we can't commit the Israelis that fast. The Arabs know we are the only ones who can deliver.

Faisal has a standard speech -- Palestine and Jerusalem. It's a good speech but can't be done quickly.

CLASSIFIED BY HENRY A. KISSINGER
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AUTHORITY RAC Review 12/6/84, State visit 3/8/04
 BY WA NLF, DATE 4/13/07

Take Israel. The Government has to have the Religious Party in the coalition. The easy part is Sinai and the hard part is the other parts. What the Arabs have to hear is we are breaking our backs. The danger is the people are going there blaming the people back in Washington. We will go back and tell them how things really are.

We must tell them what is really true -- everything which the Arabs have got has been through us. No one else can deliver.

I don't agree with their point of view. What they must know is we are doing our best, but we can't continue to do it under blackmail.

What is undoable now is progress in Palestine and Jerusalem -- especially Jerusalem. It may be in a year or 18 months. I told Faisal we promise less but we deliver what we promise. Right now I can't promise on Jerusalem. What confuses him is people who tell him he is right and they will go back to convince the dopes in Washington.

Stang: What say about refugees and upcoming conference?

Kissinger: We say rights of the Palestinian refugees must be taken into account. What that means is unclear. There are several factions among the Palestinians. We are not anti-Palestinian, but we think it's premature to get them involved right now.

I always tell the Arabs the truth -- what is totally possible, rather than contribute to their tendency toward euphoria. What they must realize is that OPEC is perpetrating an economic revolution. They will wipe out the balance of payments surpluses of the industrialized world -- except us. We will benefit relatively. Economic aid will be wiped out. The underdeveloped countries will have deficit of \$29 billion. Our aid bill will increase \$10 billion. The OPEC countries will have surplus of \$65 billion in one year. They can't expect they can change the world economy without any thought or discussion.

The purpose of the Energy Conference is to define the nature of the problem and discuss a number of areas -- conservation, new sources, the impact on the economy, and to prepare for a meeting with the producers. If OPEC produces a recession, they will have nothing to buy or their currency will be depreciated. They can produce an economic crisis. Last year, a \$4 billion shift produced the run on the dollar. That they didn't even intend. Now suppose they adopt a strategy of drawing \$10 billion one day. They can break the dollar.



Fannin: How about food and trade problems and boycotts?

Kissinger: I wouldn't be specific, but you could say we couldn't continue to let this go on. They really are afraid of the CIA -- they overestimate its capability! We couldn't bring it off. But don't look soft and pleading -- we can't leave the world at the mercy of 20 million Bedouins. We are a great country. They simply happen to have scarce resources.

Fannin: They have to be told we have alternatives.

Kissinger: Tell them we have been evenhanded. Everything that has been done has been done by us.

Will you see Sadat? I will recommend it. But if you tell him, remember that Arabs are great talkers and leakers. Their administration is idiotic; it will be disastrous. If you say we can't continue to help if the American people are suffering as a result of oil blackmail.

Stang: What do we say about American suffering?

Kissinger: If we have to explain that the American people's hardships are being caused by blackmail....

You could tell Sadat I think he is a great statesman.

Bartlett: We have to tell them that both sides must make concessions. Neither side can win totally.

Kissinger: That is right. I think there is no chance of a return to the '67 borders. I don't tell the Arabs that -- I am worried about the first 50 miles. I wouldn't discuss a final settlement.



①

HK / Bartlett / Fanning / Hanson / Timmins
10 Jan 74

Work (talked about printing) This is my catch test. This is needed work. How long that. Too good to take about
On Jan. They are supportive & good friend. Unhappy about price rise. You could say might advance children in which they would be hit.

I should see numerous groups visit ME. Arabs are very attractive & we have a good case.

Obviously, we can't compete w/ Euros & Jews, we can't commit to that level. Arabs know we are only one side of the coin.

Fossil has standard speech - holistic & Jerusalem. Good speech but can't be too quickly.

Take I. Great has to have religious party. Every party is Sunni & had part other parts. What Arabs had to see here is we are breaking our backs. Danger is people going there saying these blatant lies in Wash - we will go back & tell them how things really are.

We must tell them what is really true - everything which Arabs have got to see here - no one else can deliver.

I don't argue w/ this point of view. What they must know is we are doing our best, but we can't continue under blackmail.

What is under apple means is progress on P. 220 & Jerusalem - log from May 1971 - 72 or 18 use

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AUTHORITY per SAC review 12/6/04; State visit 3/8/04
BY llh NLF, DATE 4/13/07



I told Ford - we promised less but we didn't
Rights now I can't promise on Jews. what
congress has is right we tell him he
is right + they will go back to examine the
logs in Wash

Stang?
K

What say about refugees + by coming out
we say rights of Poles refugees must
be taken into account, what that means
is unclear. There are several factors
among Poles. We are not anti - Poles, but
think it premature to get them involved
right now.

~~Don't~~ I always tell Arabs truth - what is
totally possible, rather than contribute to their
tendency toward emphatic.

What they must realize is that OPEC is
perpetuating an economic revolution. They
will wipe out BP surplus of industrialized
world - except us. We will benefit
relatively.

Even we will be wiped out. Underdeveloped
countries will have deficit of \$29 bil. Our
oil bill will increase 10 bil. OPEC countries
will have surplus of 65 bil in 1 yr. They
can't expect they can change a world economy
w/o any thought or discussion.

Prep for conf. is to define a method for work.
of areas, organization, new sources, impact
on economy, prep for entry as/economies.
If OPEC produces, they are necessary they will
have nothing to buy as their currency will
be devalued. They can produce an
econ crisis. last year, a 4 bil short produced



can run one dollar. That they didn't
even intend. Now suppose they adopt
strategy of ~~by~~ hanging 10 till one day. They
can break a dollar

Farrin # How about food & trade problems & boycotts
I wouldn't be specific, but you could say
we couldn't continue to let this go on. They
really afraid of CIA - over estimate its
capability, we couldn't bring it off. But don't
look soft & pleading - we can't denure world
at a mercy of 20 mil Bedouins. We are a
great country. They might have to have scarce
resources

Farrin K They ~~was~~ have to be told one hour alternatives
Tell them we have been even handed. Everything
done is by no.

As if you see S admit? I don't recommend it.
But tell him (Arabs are great talkers & bankers)
Admission is ~~idea~~ idea, it will be disastrous.
If you say ~~we can't~~ we can't continue
to help if US people are suffering as result
of blackmail.

Stang R What say ~~we~~ about US suffering
If you have to explain that US handicaps are being
caused by blackmail,
you could tell S what I think be great statement

Bartlett We have to tell them that both sides must make
concessions. Neither can ~~win~~ win totally.

K I think no chance of 67 besides. I don't tell
Arabs that - I am worried about it so much
I wouldn't guess



HAK

Sen.
Fanning
(1942)

David
Stead
(1944)

Sen. Jt.
Bart (Old)

Hannan
Beech
(1944)

Sen.
Hannan
(1940)

B1

Grand
Schwartz