MEMORANDUM OF CONVERSATION

April 11, 1969

PARTICIPANTS: The Shah of Iran
Henry A. Kissinger
Hushang Ansary, Ambassador of Iran
Harold H. Saunders

Dr. Kissinger called on the Shah at the Iranian Embassy Residence the evening of April 1. They had a pleasant conversation in the main drawing room of the residence.

The Shah opened the conversation by saying that he had read some of Dr. Kissinger's articles and agreed with his viewpoint. When Dr. Kissinger asked what particular aspects of his articles the Shah had particularly noted, the Shah, after some generalization, came to the point that US military strength is diluted when it is used for "non-essential" problems. Dr. Kissinger asked whether the Shah felt that Vietnam fell in that category. The Shah said that he feels now that it does, although he would not argue the earlier decision for the US to involve itself. The crucial point now is for the United States to extricate itself and turn the problem over to the South Vietnamese. Dr. Kissinger pointed out that once the US had committed 500,000 troops, the matter is "no longer a local issue." The Shah indicated his understanding, but said he felt the US must now seek an "honorable solution." Dr. Kissinger said that is the President's policy and asked the Shah how he thought it might be done. The Shah said he felt the USSR would be the key factor in a solution, and the conversation then turned to the Soviet Union.

The Shah felt the Soviets are deeply disturbed about China, and he cited the Soviets' unusual performance in going to the West German Government to express its concern over recent Chinese aggressiveness on the Soviet Chinese border. The Shah pointed out that the Soviet Union needs a settlement in Vietnam, although he also said that the USSR was almost in a position of not being able to afford either a victory or a defeat in South Vietnam. He said that when he had last been in Moscow, Kosygin had told him that the Soviet Government does want to work with the US to achieve peace.

Dr. Kissinger asked the Shah's opinion of the Soviet leaders. The Shah described Brezhnev as a "Slav", a "Russian", and noted that he was primarily a party man. He spoke of Podgorny, pointing to his head and shaking his head, indicating that he wasn't very smart. When Dr. Kissinger said he had heard the same about Brezhnev, the Shah said, "not to the same extent."
The Shah said that he felt the current collegial leadership is more venturesome than Stalin had been. Dr. Kissinger agreed but suggested that the real danger from the Soviet Union is not so much that its leaders will do something rash as it is that they will get themselves into something that they do not know how to extricate themselves from. But he agreed generally, though noting some exceptions such as Hitler where one-man rule proved highly dangerous. The Shah had said that where one man alone ruled, he is normally much more cautious.

Dr. Kissinger suggested that the Soviet Union's position in the Near East is one example of a situation that it has got itself into but may not know how to draw back from to avoid danger. He asked the Shah what he thought the Soviets' objectives there are, and the Shah, noting long Soviet interests in a strong influence in that part of the world, said he thought they were trying to dominate the Mediterranean by establishing control over a triangle with its points at Suez, Aden and Djibouti. The Shah felt that they wanted to get the Suez Canal open largely to consolidate their control in the Red Sea and to ease their access to the Indian Ocean and ultimately to the Persian Gulf.

The Shah felt that the main Soviet motive in trying to reach an Arab-Israeli settlement was to free the energies and troops of the radical Arabs for use elsewhere, such as against Libya and, again, eventually in the Persian Gulf.

The Shah indicated that he had discussed Israel's position with Foreign Minister Eban. He felt that the Israelis are still "drunk" with their victory and must get over their "euphoria" before the Arabs learn how to make effective military use of what will soon be 120 million people.

The Shah, when asked about what he thought about the Mid-East four-power negotiations, said he felt they provided a useful cover for US-Soviet talks. He indicated that he felt the latter were by far the more important. When Dr. Kissinger asked whether he felt that a consensus among the great powers would be of any value, the Shah indicated that he felt it would be useful, but he also noted that lines drawn on a map by powers outside the area were not necessarily the most viable.
The Shah spoke of his high regard for King Hussein and implied that he was in a very shaky position because his country was one drawn by outsiders and not really a stable entity in itself. Dr. Kissinger asked whether the Shah felt the people of the Near East needed to fear some sort of US-Soviet deal that would work to their disadvantage. The Shah said he did not feel so because the US is not the kind of nation to sell out its friends.

Dr. Kissinger noted the difficulty of trying to work out a peace that would prevent the Arabs from simply getting ready to attack again. He wondered whether we could hope for anything better than the current situation between India and Pakistan. The Shah felt that, if a good refugee settlement could be part of the overall arrangements, we need not necessarily fear that a peace settlement still contained in it the seeds of another war.

As the conversation drew to a close, the Shah mentioned his concern about two oil matters. First, he noted his desire to sell oil to the United States in return for the export of American industrial equipment. Second, he went on at some modest length about the injustice of the oil consortium taking oil and supplying so much in revenue to small Arab sheikdoms that had no great use for it while they refused to increase the Shah's revenues to the point necessary to support Iran's explosive growth.

In concluding the conversation, Dr. Kissinger expressed his gratitude for the opportunity to talk with the Shah. He noted that we had planned to arrange a visit for the Shah. The Shah said that close consultation is extremely important since we are "natural allies" and needed to coordinate our policies for the next four, hopefully eight, years."

As we were walking to the door, the Shah noted that the King of Greece is discouraged over his present situation and was looking for a ray of hope from us. When Dr. Kissinger asked how we might supply that hope, the Shah suggested that we talk with the King. Dr. Kissinger said he would try to.

Harold H. Saunders