Foreign Policy, [10/76-1/77] [3]

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MEMORANDUM TO: President-elect Jimmy Carter
FROM: Peter Bourne

In connection with the attached memos, I wanted to make it clear that I, in no way, suggested that I was representing you and was only responding to their requests to talk to me in the most informal way. I also stressed that you would not be taking office until January 20th, and that you had no intention of involving yourself in the foreign affairs of the United States, prior to that date. I did talk to Zbig Brzezinski before I left and followed his suggestions and guidance in what I did.

To Jim Vance
I'd like for you to meet Dr. Bourne. Expect on drugs & alcohol. Her entrance into my closest & most strange places. One of my closest & most trusted friends.

J.C.
MEMORANDUM TO: President-elect Jimmy Carter
FROM: Peter Bourne
SUBJECT: Iraq

The meeting I attended last week in Iraq was sponsored by the Pan Arab Organization for Social Defense and the International Council on Alcohol and the Addictions. Its purpose was partly to discuss alcohol and drug problems in the Arab world but more broadly the problems of social development in that area. It was attended by about 50 representatives from all of the Arab nations, mostly people at the undersecretary and assistant secretary level in departments of health or internal affairs (security). I had the opportunity to talk informally to most of these people about your desire for friendship with all of the nations of the middle-east and also about your concern for health and programs relating to human welfare and social development. The conference dealt very little with either drugs or alcohol and the chief of each delegation in general used the meeting to make a purely political statement. There does, however, seem to be a genuine concern in several of the Arab countries to use their new found oil wealth to improve the social welfare of their people with the development of a variety of health and other related projects.

I made a brief trip to the cities of Kerbala and Najaf in the southern part of the country close to the Saudi Arabian border. This is desert area which in general is extremely poor, and with a significant nomadic population. I had planned also to go to Kurdistan in the northern part of Iraq to look at the re-settlement program for the Kurds. But even though the Iraqi government was willing to let me go, it became impossible to include it in my schedule.

I met with several key people including, Marshall Wiley the U.S. charges d'affaires who, because we do not have diplomatic relations with Iraq is largely isolated, having very little direct contact with their senior officials, Dr. Riyadh Ibrahim, Minister of Health, who was formerly chief
Memo To: President-elect Jimmy Carter  
From: Peter Bourne  
Subject: Iraq  
December 1, 1976

of Family Planning for Iraq, Ambassador John Graham the British Ambassador who provided me an interesting third perspective on U.S. - Iraqi relations and Dr. Sa'duan Hammadi, the Foreign Minister.

I spent about an hour with Dr. Hammadi who has a Ph.D., in Economics from the University of Wisconsin, and believe that I was the first American in sometime to talk with him directly. Initially he was somewhat cold and formal, but by the end he had warmed up and was quite friendly and open on a number of issues. His greatest interest was in you personally, and he was particularly eager to discuss the large black vote that you received in the election, your interest in health and social programs, the fact that you were not a captive of big business or any other special interest group and that you were in many ways an outsider from the traditional political system. He was especially interested in the fact that Miss Lillian had been in India with the Peace Corp—something he did not previously know. In the course of our conversation he discussed several specific points.

- The Iraqi government, he said has no a priori position as far as the Carter Administration is concerned. He talked about what he saw as past problems with the United States since diplomatic relations were severed in 1967, and also concerns that he had about strong pro-Israel statements particularly relating to the Arab boycott that you had made during the election campaign. He went out of his way then to say that the past was the past, and the Iraqi government was concerned only with the future. In this context he suggested that they had an interest in possibility of normalizing relations. He implied, though, that some visible shift in U.S. policy in the middle-east would be a pre-condition as far as they were concerned. I did not get the feeling, however, that he expected any significant change in our obvious obligations to Israel. He cited to me the example of the French who while they were in Algeria were hated throughout the Arab world but who now because of a dramatic change in their policies since they withdrew from that country are now respected and liked throughout much of the Arab world.
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From: Peter Bourne  
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-The Iraqis have consistently been the most vehemently anti-Israel of the Arab nations and have been the strongest advocates of the Arab boycott. They first believe that it is a legitimate political tool, and secondly, perhaps more important, that it is an important weapon for them with which to shame the other Arab nations with whom their relationships are not terribly good. They would like to embarrass the other Arab nations over the issue of not being Arab enough at a time when they seem to be moving towards a settlement in the middle-east, which Iraq currently does not support. While the Iraqis accept our opposition to the boycott there is one element that Hammadi raised which he says is particularly offensive both as far as Iraq and other Arab nations are concerned. They really resent the implication that the boycott is racially motivated. They compare it to our boycott of Cuba, and say that we are not imposing that boycott because the American people are racially prejudiced against Cubans. Similarly they reject the notion that they are racially prejudiced against Israel. I don't know how a softening of your statements on that particular line would be perceived by Israel but it would go a long way to mollifying the Arabs.

-The Iraqis are particularly angry about our past support to the Kurds. Apparently Kissinger did arrange to give arms to the Shah of Iran specifically so that they could be passed on to the Kurds, firing up the Kurdish independence movement against Iraq on the Iran-Iraq border. He apparently did it as a way of deliberately weakening Iraq because of their extreme anti-Israel position, because it was a favor to the Shah and perhaps because he felt they were coming too strongly under Soviet influence. Hammadi says that he once confronted Kissinger with the fact that he was arming the Kurds and thereby interfering with the internal affairs of Iraq, and he claims that Kissinger told him straight out that it was because he, Kissinger, thought the Iraqis were moving too close to the Soviets. Events have changed dramatically since that time. The Kurds have been largely neutralized militarily, partly because of a very vigorous military counter attack by the Iraqi army, and also because Iran and the Shah eventually double-crossed them in a rather complex series of
events. Since the defeat of the Kurdish independence movement the Iraqis have moved generously, and without vindictiveness to incorporate them into the political mainstream of Iraqi life, building schools, roads, and providing other services in the Kurdish part of the country along their northeast frontier. Hammadi told me that he understood that under our system we were obliged to give political asylum to the Kurdish rebel leader Barzani, who is now in the U. S. trying to get support from various radical groups, and that he did not hold this against the United States. However he was quite adamant in saying that they resented the past support for the Kurds as representing American interference in the internal affairs of Iraq, and was insistent that we do nothing in the future to re-stimulate the Kurdish movement. At Wiley's suggestion I assured him that it was inconceivable that a Carter Administration would have any reason to again encourage the Kurds to re-start their insurrection. The Kurds are tough mountain people with a romantic image and they have strong appeal among certain groups in the United States. However there appears to be absolutely no justification at this stage for supporting any further their claims for the establishment of an independent Kurdish state. Attempts have been made to do this for fifty years and they have all failed. Finally, there now seems to be a resolution of the Kurdish problem, and all but the most extremist Kurdish leaders seem resigned to the gradual incorporation of their people into the political mainstream of the countries in the area.

-I did not speak directly to Hammadi about Soviet influence or Soviet arms sales, although we did touch on it obliquely. One of the most striking features about Iraq and the Iraqi government is the fierce sense of hard won independence that they have, and it seems that they are as fearful of Soviet domination as they are domination by anyone else. Much of their extremism is, I believe, a desire to not be seen as just another Arab country without a separate identity. Hammadi said however, "it is not easy for a small country to be independent, and sometimes big countries think they are preserving our independences when they are not." I also had the feeling that he felt that
in several instances recently, actions by the Iraqi
government were interpreted in the west as being
the result of Soviet pressure and Soviet domination
when in fact they were not, or at least they were
inadvertently allowed to be perceived that way by
the Iraqis. There have been recent reports in the
Economist, and through other western sources of an
arms deal between Iraq and the Soviet Union in which
Iraq was to provide several military bases for Soviet
use. All of the sources that I talked to in Iraq
including both Chargé Wiley, and the British Ambassa-
dor convinced me that there is no truth to these
rumors. The Iraqis do buy arms from the Soviets,
but there is no evidence that they are providing
Soviet bases. In addition they have recently asked
the British government to provide a bid for a large
number of new tanks that they want, suggesting perhaps,
that they are willing to buy from the west rather than
the Soviet Union. Hammadi particularly resented
Kissinger's apparently consistent insinuation repeat-
ed by Ford on one of the debates that the Iraq govern-
ment, that prides itself so much on its independence
from everybody, was subject to easy pressure from the
Soviet Union, or was under their sphere of influence.

-Hammadi also specifically said to me "Iraq needs no
economic aid from the United States". Due to their
oil revenues they are now economically self-support-
ing, and take great pride in this fact, even though
they are not rich compared to other oil producers.
They do accept multi-lateral aid through organiza-
tions such as the World Health Organization, but
apparently do not wish to become directly involved
with the United States. On the other hand they
continue to be very eager to stimulate economic ties
with us particularly through regular commercial
interchanges.

To summarize, Iraq is run by a tough independent mind-
ed regime which is essentially a police state and extremely
aggressive. (They kept a secret police guard with me at
all times and I was never out of their sight. Even when I
had lunch with the British Ambassador at his residence he
was so fearful that his own house was bugged that he would
only talk to me about sensitive issues in his yard.)
believe however that they are running the country relatively well. It is economically stable and one sees evidences of construction and the implementation of a wide range of social programs throughout the country. Their independence from all other nations is extremely important to them and I don't believe their involvement with the Soviet Union is of the scope Kissinger has suggested. In fact, I was particular reminded of blacks in the United States, and had the feeling that the overwhelming drive that the Iraqis have, after having been under the domination of foreign governments for several hundred years, "Is to be somebody", on the international scene.

They have made almost a fetish out of their being more Arab than any of the other Arab countries, of being the most anti-Israel, and of being the most resistent to any middle-east settlement. I had the impression, however, that there is a certain amount of realism developing now in their thinking and that although they gave me the standard anti-Israel rhetoric, that they recognize that some kind of settlement is inevitable and that they are likely to be left out completely. They have suffered a serious defeat in Lebanon both in terms of prestige by backing the PLO, and even in direct military terms by sending approximately 4,000 "Volunteers" to fight along side the PLO against the Syrians. The Iraqis are not closely aligned with any of the other Arab countries, and they are more on the outside now, than they have been even previously. They can create an embarrassment through heavily pushing the Arab boycott, and they can make a settlement on the middle east problem more difficult, but they probably can no longer completely obstruct such a settlement. Also to some extent if a settlement is inevitable it suddenly becomes very much in their interest to be at the bargaining table, and not to be left completely out in the cold when the final settlement is reached.

told me that he thought that we could well effect a complete middle east settlement totally ignoring Iraq, and that they just don't have the influence to block it anymore. The only thing that really matters in the middle east at this point is a settlement, and everything else is secondary to that. The U. S. chargé, who obviously has a more personal vested interest in our future there, feels that we should work actively for improvement of relations and perhaps a re-establishment of formal
diplomatic ties. He points out that the Iraqis have a planned $35 billion dollar development program projected for the next five years and American business should have a chance to have access to a significant piece of that money.

I really agree that Iraq is of rather trivial consequence in the overall middle east picture. However I feel that the potential exists for significantly improving our relations with them by rather minimal gestures on our part. Statements on the following issues would be read very positively by them, 1) mention of their effort to incorporate all people of Iraq into the mainstream of Iraqi politics would be read as positive endorsement of their program with the Kurds, and discouragement of the Kurdish independence movement, 2) some statement alluding to Iraq's strong effort to remain independent even when under pressure from other nations would be read as a change in the Ford-Kissinger statement about being under Soviet domination. 3) if appropriate to talk about the boycott in political terms rather than implying that it is basically a racist act would be an extremely positive move in their eyes.

I plan to maintain on a personal basis, my relationship with the key people that I met while I was in Iraq, particularly the Minister of Health Dr. Ibrahim, and I hope that this will help to lend some sense of particular friendship towards them. Although I am aware that in terms of other priorities it is hardly worth expending much energy on Iraq, I do believe that a significant change in their attitude towards us, particularly the eventual re-establishment of formal diplomatic relations, would lend enormous credence especially among the "non-aligned" nations to your campaign statements about paying more attention to the little countries, and particularly those who are not militarily powerful, especially if this can be done without compromising any of our other commitments.
FROM: Maxie Wells, Plains
TO: Stuart Eizenstat in the Transition Group, HEW
INFO:

SPECIAL INSTRUCTIONS: O.O.B.
UNCLASSIFIED

FROM: ZBIGNIEW BRZEZINSKI
TO: PRESIDENT ELECT CARTER
Vice President Elect Mondale

INFO:

RELEASED BY: GO

SPECIAL INSTRUCTIONS:

/TOGOVIII/
MEMORANDUM

NATIONAL SECURITY COUNCIL

TO GOV

January 7, 1977

DELIVER ON RECEIPT TO POND HOUSE

MEMORANDUM FOR: THE PRESIDENT-ELECT
THE VICE PRESIDENT-ELECT

ATTENTION: JODY POWELL

FROM: ZBIGNIEW BRZEZINSKI

SUBJECT: Proposed Statement on Vice Presidential Trip

I suggest that Governor Carter make a statement along the following lines:

I have asked Senator Mondale on my behalf to pay a visit to our allies in Europe and Japan to seek their views on the possibility of an economic summit and on other international questions. I have in mind that this fact finding mission would take place in the first week after the Inauguration. We have informed the governments of France, Great Britain, West Germany, Japan and the European Community of our desire to hold these consultations with them and will be working out the details over the next two weeks.

My purpose is to get firsthand views from our allies on international economic issues and on political and security issues as an input to my own initial decisions in these areas. It is my hope that these visits will begin the process of close collaboration on all the matters of common concern.
December 23, 1976

MEMORANDUM FOR: PRESIDENT-ELECT CARTER

FROM: W. Michael Blumenthal

SUBJECT: The Advisability of a Near Term Economic Summit Meeting

The last thing you need is more reading material but I've tried to keep this brief, and I think the subject is timely.

There will be considerable pressure from foreign leaders for a near term economic summit meeting. French President Giscard already has called for it publicly, and others will do so. It makes sense, then, to consider the new Administration's position towards the advisability of such a meeting and how it might be approached.

This memorandum summarizes my preliminary recommendations to you on this subject. I discussed these views at breakfast today with Messrs. Lance, Schultz and Burns, and they generally concur in them. I haven't discussed them with Cy Vance but intend to do so next week at Sea Island.

My overall conclusions can be summarized as follows:

1. That we indicate general sympathy for a summit meeting;

2. That we reach and disclose our domestic economic decisions beforehand;

3. That we allow enough time for Cy Vance and me to consult with our foreign counterparts, concerning the agenda and decisions which should be reached at this meeting.

4. That we not commit, therefore, to a specific date, or one that is too early--late spring or early summer might be the eventuality.

Generally, such a summit meeting will be necessary and would benefit both the U.S. and our major, industrialized allies. You would meet foreign leaders, get a first-hand exposure to certain international economic problems, and get a chance to
promote closer cooperation in economic policy-making among these key nations. Specifically, the meeting would address a collective approach to worldwide economic recovery, financial assistance to several crisis-ridden industrialized nations, the need to thwart protectionist trends and move ahead in 1977 with serious, multilateral trade negotiations, and a strategy towards the economic demands of the developing nations.

It is important, however, that we allow sufficient time to set goals and otherwise prepare ourselves very carefully for this summit meeting. I suggest, therefore, that your Economic Policy Board (or its successor) begin deliberations immediately after the inauguration concerning the approach to such a meeting. In addition, Vance and I should begin preparatory discussions with our counterparts.

Two factors argue for this deliberate approach. First, our own 1977 economic stimulus policies should be formulated and presented to Congress and the general public well before this meeting. We then will be on record with a coherent, stimulus policy which asserts leadership and implicitly calls on our economically stronger allies to follow. In addition, your key economic advisers first must study these international economic problems in depth and determine your Administration's structure for international economic policy-making.

After these two tasks have been completed, the U.S. can set its goals for a summit meeting, assess its likely outcomes, and propose a specific agenda within this context. Without such careful preparation, an economic summit might result in poor, or no decisions, which, in turn, would have damaging effects on our efforts to assert needed, world leadership and to promote economic confidence.
MEMORANDUM TO THE PRESIDENT-ELECT

SUBJECT: Your Telephone Call to Chancellor Schmidt

Arthur Burns telephoned me last night upon his return from Switzerland where he participated in the negotiations on the UK's sterling balances problem.

He told me that Chancellor Schmidt had asked to see him urgently. Burns therefore stopped off in Bonn and the Chancellor requested that Burns communicate to me, for transmission to you, the following points which he would like to discuss in his telephone conversation with you:

1. The Economic Summit - when should it take place? What kind of preparatory steps are required? The desirability of a prior meeting of finance ministers.

2. The policies that should be taken by the strong industrial countries to restore economic confidence in the world.

3. A plan to be worked out for the simultaneous announcement by various countries re implementation of policies in relation to the above.

4. The point that whatever fiscal measures are taken by individual countries should be financed through capital markets rather than through central banks.

5. The need to strive for an understanding between the developed countries on the one hand, and the less developed countries on the other. In particular, what should be, and what should not be done to bring this about.

W. Michael Blumenthal
Secretary of Treasury-Designate

cc Cyrus Vance
Zbigniew Brzezinski