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TELCON TED KOPPEL Sec Kissinger January 15, 1975 9:45 a.m.

RELEASED IN PART

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TK: How are you?

K: O.K. Ted, as someone who has been in your house perhaps I can take some liberty. By what tortured logic can this thing be a setback for me as you seem to have said on television last night? For two years we have warned and fought against it. Everything we predicted has come to pass.

TK: I said you had been predicting this but a setback in relations with the Soviets.

K: It is a bad setback but it is what we predicted. It doesn't help the people. There are fewer Jews coming out. The Europeans are now going to get the credit and become more independent with the Soviets.

TK: I don't know what you saw are heard.

K: Bob McCloskey said he heard you say"it was a bad setback for Henry Kissinger." It is a bad setback for the US. We have fought against this Goddamn thing. I did not want to turn it into-what I said publicly yesterday was to give Congress a chance for some reasonable dialogue. I did not see any sense in getting into a shouting match with Jackson. But those of you...

TK: In a sense what I said was a bad setback and I was using you and the entire cause of Soviet detente interchangeably. I did make the point and I am sorry Bob did not hear it. I did make the point in half a dozen spots I made yesterday that you had in fact been predicting this for many months that if we put too much pressure publicly on the Soviets on their internal problems it could come unraveled.

K: I was against the exchange of letters. Perhaps it would have worked if everyone had shut-up. Even after Vladivostok it was said that this proves that Kissinger said with respect to immigration what

TK: Do you think Congress has now learned its lesson?

K: We are not talking for attribution.

I will not be in today.B6 I am interested in your assessment—if you think it is going to come down to a knockdown-drag-out fight in which you and Congress will be eventually blaming each other in public

K: I will use this as a lesson for both sides. We have not put out anything. When people say that the thing failed because of us

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then I have to say something. But we are not going to take the initiative who with the Congress. We are not going to start casting stones but I think it should be a very sobering lesson. You know as well as I do that even though the Soviets say detente will continue and even though they intend to have it continue in any crisis we have now lost the leverage.

TK: Do you have any particular areas for example the Middle East, Viet-Nam where they will try adventurism?

K: Not yet but there are two problems. Will they try adventurism, I think not. Can they be dragged by events into a 5% sharper line on every issue, I think, yes. Accumulative effect of this will be very bad. How will it effect the economic relationship?

TK: I heard on the radio this morning some US companies say to the best of its knowledge its trade relations remains unimpaired.

K: There is one aspect where communism has been proved forever wrong namely that businessmen understand their own interests. Most are screaming idiots. How will they know if relations are impaired. This is just the beginning.

TK: True.

K: What has been lost is not what has been achieved, but it is the future -- expansion that would have been possible. And the leverage has been lost.

TK: What do you think -- was the \$300 million the straw that broke the camel's back.

K: Off the record -- what broke the camel's back was they were -- what broke it was the Jackson announcement at the White House which we did not quite understand he was doing. The claims that were made afterwards that the Soviets were pushovers if you were only tough enough and above all the Ex-Im restrictions.

TK: In the final analysis the \$300 million

K: Plus the claims

TK: What if it had been for a larger amount?

K: If it had been no amount there were two chances out of three they would have swallowed their pride. Two aspects on the restrictions — they were the only country singled out for a ceiling and second, that the ceiling was rediculous.

TK: Your basic action now is to do nothing now but to sit back and wait.

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K: Thre is nothing we can do. I don't think it a good idea now to go to Congress and say how about a billion and go back to the Soviets and say will you take a billion; that teaches them to kick us in the teeth.

TK: If you don't go back and too much time elapses you are coming up on the Brezhnev visit and it might be difficult for him to come.

K: We will have to see what happens now.

TK: I wish you good luck.

K: Thank you.

END