

1973-12-10, Faisal, Yamani, ~~Yamani~~
Dent

December 10, 1973

MEMORANDUM FOR THE FILES

FROM: Murray S. Scureman *MS*

SUBJECT: Meeting with Algerian Minister of Industry and
Mineral Resources Belaid Abdesselam and Saudi
Arabian Minister of Petroleum and Energy Sheikh
Zaki Yamani, December 6, 1973.

In attendance from the Department of Commerce:

Secretary Dent
Assistant Secretary Turner
Assistant Secretary Dobbins
Assistant Secretary Jones
Karl Bakke
Alan Polansky
Murray S. Scureman

SUMMARY

Arab Objectives

This visit appeared to be one of public relations. They assured us that the Arab nations desire a lasting peace in the Middle East. Both men made it very clear that their countries' future economic development will be very dependent upon trade with the United States. They emphasized that the oil embargo is the only political weapon they have to bargain with other countries to try to curb the expansionist policies of Israel. They stated that there are no Arab-U.S. hostilities and any problems should be attributed solely to the current political situation. (From the tone of the meeting, it is reasonable to conclude that the Arabs had to boycott the U.S. to maintain political consistency, but are not at all comfortable with the possible economic situation they could face when the embargo is lifted and the U.S. refuses to invest in the Arab world.)

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the US finds itself in a difficult position because of two conflicting strains. One was positive and was reflected in the attitude of President Sadat to accept the presence of Israel but to expect to have occupied territory returned. The US supported this concept and has been seeking to try to get the parties to work this out within the context of UN Resolution 242. It believes progress is possible despite arguments over how much occupied territory is to be relinquished. The other was negative. It was reflected in the announced policy of the fedayeen to destroy Israel and to implement this policy by using extreme measures if necessary. In this case, no progress was possible since any positive development was negated by a terrorist act. Khartoum was a good example. Two American foreign service officers, who devoted their lives to the Arab world and were very pro-Arab, were killed by the Black September Organization. This had come after the visit to the US of King Hussein and Egypt's Hafiz Ismail.

Minister Yamani asked if continued delay in dealing with the Arab/Israel issue will not simply strengthen the hand of the fedayeen. He was concerned that the longer this problem lasts, the more the fedayeen will direct their attention at US interests in the Middle East, especially US oil investments. Blowing up a pipeline or an oil storage tank does not do much damage but there are installations in Saudi Arabia which the fedayeen could hit which would be much more serious. What would happen, for example, if the fedayeen should hit key oil operation targets in Saudi Arabia, Kuwait and Abu Dhabi, which could cut oil production in the Gulf by 50%. This would create a very dangerous situation and the whole world would suffer. The Minister added that not only were the fedayeen an obstacle to a peaceful settlement but so were the Israelis who did not want to see a change in the present situation.

The Secretary thought we were saying the same thing. The only way to get the Israelis to change their position and look at the situation reasonably is to show that President Sadat's position and not the fedayeen position has Arab support. Otherwise, Israel asks the question how can it deal with the Arabs, how can it make any agreement with the Arabs if the fedayeen continue to insist on destroying Israel. The US does not have an answer to this question. We are aware there is a feeling among Arabs that the US could somehow be threatened to put pressure on Israel to do something it does not want to do. We do not believe this would work as long as the fedayeen refuse to be bound to any settlement. Therefore the US, just as Saudi Arabia, finds itself frustrated

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and recognizes the dangers inherent in this situation. We know something has to be done but the problem is how to deal with it. The Secretary asked if there was anything the US could do to help Saudi security.

Minister Yamani said Saudi security was satisfactory at the present time. Thanks to Saudi policy, the Saudis had managed to keep the fedayeen away from Saudi oil installations but he did not believe that "time was on our side". Adding more guards and tightening security could not stop a determined effort. He was afraid he would someday read that the fedayeen had blown up installations in Saudi Arabia which would seriously cut back Saudi production.

The Secretary responded that he did not need to have something blown up in Saudi Arabia to be reminded of the gravity of the Arab/Israel problem; however, he thought the fedayeen were making a mistake if they believed this kind of action would resolve the problem. It would only make matters worse. He added that up to now the fedayeen had not helped the Arab cause at all. If it looked like some progress was being made, it was interrupted by an act of terrorism. While there are many elements in Israel who want to see progress in arriving at a solution, progress cannot be made in an atmosphere of terrorism.

Prince Saud remarked that to control the fedayeen, there should be some progress in the Arab/Israel context. What the fedayeen see is that even with compromises, such as those that Sadat has made, there is no movement. On the other hand they look at Israel which remains unwilling to give back any territory. What is more detrimental is the apparent US policy to continue to sell arms to Israel and continued pronouncements of support for Israel. He did not see how the Arab countries could tell the fedayeen not to do something when there is no give on the other side. Prince Saud added that the fedayeen had been quiet for a while but their activities had increased, particularly after they saw nothing coming from Sadat's move to expel the Soviets from Egypt.

The Secretary reiterated that while many actions by President Sadat have been constructive, the fedayeen had by their own actions indicated their total disregard for Sadat. They had made clear their determination to destroy Israel. The Secretary added that in every part of the world conversations are underway on formerly intractable problems except in the Middle East. Talks have started between the two Koreas, the two Germanies,

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India and Pakistan, and the US and China. While elsewhere there was an active exchange of ideas, we were still not able to get even indirect conversations going between Israel and the Arab States.

Minister Yamani inquired whether the US felt that the fedayeen could be eliminated entirely. The Secretary did not think this would be possible. We recognized that the Palestinians had been mistreated and the US was not against the Palestinians. The point we were making was that the terrorists' approach did not make any sense and did not serve the Arab cause. The Secretary noted that there was evidence that Fatah had been behind the Black September Organization.

Minister Yamani believed that certain moderate elements in Fatah remained. The "leftist" elements in Fatah had been the ones supporting the BSO. Mr. Akins asked the Minister if this meant that if the United States could get a settlement, then the fedayeen would agree to it. The Secretary remarked this was a key question. Each time it looked like something would be accomplished, we received intelligence reports that the fedayeen intended to stop further progress. The problem was how could we talk convincingly to Israel about the necessity to make concessions and reach an agreement when there was no assurance that the fedayeen would be bound by any settlement. The Secretary concluded by reviewing the strong relations between the US and Saudi Arabia and the US desire to work closely with the Saudis. The US would continue its efforts to find a Middle East solution.

The Minister thanked the Secretary for his frank discussion and assured him that Saudi Arabia wants to be friends with the United States and hopes that nothing will happen to shake the close relationship that exists between both countries.

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