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THE WHITE HOUSE
WASHINGTON

1973-12-15, Faisal, Nazir, Kissinger

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December 15, 1973

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

Hisham Nazir, Minister for Economic Planning
in Saudi Arabia

A number of members of his staff and other young
Saudis including Kamal Adham, Prince Saud Faisal,
Prince Turki bin Faisal and others

Henry A. Kissinger, Secretary of State
James Akins, US Ambassador
Joseph J. Sisco, Assistant Secretary of State
Alfred L. Atherton, Jr., Deputy Assistant
Secretary of State
George Vest, Press Spokesman
Harold H. Saunders, NSC Staff

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DATE AND PLACE:

Saturday Morning, December 15, 1973, at the
offices of the Planning Organization in Riyadh,
Saudi Arabia

Nazir:

We welcome you. The Central Planning Organization is
where our government plans the future of Saudi Arabia.
We have two objectives this morning: (1) First, we would
like briefly to show you what we are doing. (2) Then we
would like to quiz Dr. Kissinger as he quizzed his students
when he was a professor.

We are in the third year of our development program. We
have three objectives in this plan: (1) A 9% annual growth
rate. (2) Diversification of the economy from exclusive
dependence on oil. (3) Development of manpower, which is
essential because we started late in the development process.

To fulfill the obligations taken in this plan, we are producing
oil ahead of our schedule because we need a massive program
in industrialization. When we began the plan just three years
ago, we were short of money, to the astonishment of many.

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DECLAS - Date Impossible to Determine.
BYAUTH - Dr. Henry A. Kissinger

President
From - Kissinger

POL SAUD - US

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Nazir:
(Cont.)

In the first year of the plan, our appropriations fell short of the requirements of the plan. Since that time, we have accelerated our performance.

In increasing our gross domestic product, our objective was an average growth of 9.8%. Actually, we achieved 14.2% and 15.5% respectively in the first two years, but that, again, was related to oil production and not to broad growth.

Kissinger:

What type of new industries do you foresee developing?

Nazir:

First, we will try to develop those industries that use oil and especially natural gas as a feedstock. Second, we will try to develop medium industry producing consumer goods of all sorts.

Kissinger:

How much of the population is Bedouin?

Nazir:

The division is about 60-40 including rural areas. But the Bedouin are not much more than 20% themselves. If you include the total rural population, that population rises to 60%.

Kissinger:

I assume the shift has political results in the sense that urban populations tend to be less traditional.

Nazir:

Yes. It also reduces the agricultural sector. We are trying to develop our infrastructure along the following lines:

--Highways. This is difficult because of terrain and because of the distances. Our objective is to build 1,000 kilometers a year.

--Telecommunications. We are using satellites and developing microwave communications inside Saudi Arabia. Over the next five years, our objective is to move toward international standards--that is, the average facilities that the rest of the world has.

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Nazir:
(Cont.)

--Manpower. We are concentrating on education and training. Education is one of the proud achievements of Saudi Arabia. At the beginning of the plan, there was one girl in school for every five boys. Now there is one girl for every two boys. And at the end of the plan, we would hope to have the ratio equal.

Kissinger:

Where are the universities?

Nazir:

At Riyadh, Medina, Jidda and Dahran.

That completes my formal presentation on the development planning period. Let's move into a more comfortable circle here on the other side of the room and have a less formal conversation.

[The group moved in a circle, and the conversation resumed.]

Kissinger:

I appreciate your very fascinating presentation. There are very few countries that have the possibility that yours does. Most countries I visit have a problem of finding resources to meet their ambitions; you may have the problem of finding ambitions to meet your resources.

How does the US relate to the development process you are describing?

Nazir:

Saudi Arabia to develop must have two conditions: (1) There must be peace. (2) We must be helped to develop an industrial economy. If we produce oil, we must be able to invest the revenues in productive ways. The US can help.

Kissinger:

In what specific ways?

Nazir:

You can provide technology. For instance, there is a technology of desert agriculture which we could use.

Kissinger:

Are the present cooperative arrangements satisfactory or do we need a new mechanism?

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Nazir: There is really no mechanism now?

Kissinger: Should we set up a mechanism?

Nazir: Saudi Arabia has never found it difficult to work in the US and to go directly into the US market for what it needs. What I am referring to here is that technology that the US Government is particularly involved in which is not in the private market yet. The technology of desert agriculture which I mentioned falls into this category.

Kissinger: We are extremely sympathetic. If you make your specific request, we will try to circumvent the normal procedures of bureaucratic response. We could set up a means of rapid decision in Mr. Sisco's bureau.

Nazir: When I was in the US in September, I talked to Mr. Simon about a US Mission to Saudi Arabia. I think, actually, we ought to send a mission to the US so that we know what the US has. Frankly, the missions that have come out here to understand our position get rather tiresome.

Kissinger: Why don't you send a mission to the US? I don't have the impression that you need any more understanding. We will make a rapid decision where government resources are involved. Private resources, of course, are not subject to our decisions.

Sisco: If you have ideas on specific areas, let us know in advance so that we can find the right people.

Kissinger: But you take the initiative.

Nazir: I would like to open the floor to my colleagues to ask all the questions they want.

Saudi staff member:
On the understanding that foreign policy is based on the two factors of national interest and international responsibility, what the Arabs see is that the US has no foreign policy in this area except total support for Israel. Is there an element of truth in this?

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Kissinger:

Fair-minded Arabs could come to that conclusion, but if you saw the messages we get from Prime Minister Meir, you would conclude that she does not think that we are supporting Israel wholeheartedly.

Admittedly, however, the US has supported Israel. There are historical reasons for that. Domestic pressures play a significant role in that support. Also, there have been times when our support for Israel has been dictated by implications in the area, particularly Soviet involvement.

In historical perspective, I don't believe that anybody in 1948 would have foreseen that the Arab World would develop as it has. Therefore, the initial decision to support Israel cannot be read only in today's context.

Our friends have to understand that we must adopt certain rules of procedure. Since my last visit to Saudi Arabia, I have stated on a number of occasions that the US stands for full implementation of Resolution 242. We will carry out this promise, but you have to understand that we have to do so in our own way and in a way that is consistent with our domestic situation.

Saudi:

In 1953, Israel occupied a demilitarized zone near the Golan Heights, and Secretary Dulles ordered the Israelis out. In 1956-7, President Eisenhower pursued an even-handed policy. What has happened since? Why has American policy changed to such a pro-Israeli character?

Kissinger:

One must bear in mind that a number of changes have taken place. For one thing, the international environment is much more complex. For another, many Arab states have conducted a policy of hostility toward the United States. This has not applied to Saudi Arabia but it has to Egypt.

One factor that must be borne in mind now is that our possibilities of working with the Arabs have improved. We don't engage in rhetoric, but we have done a number of things. The ceasefire which we arranged saved the Egyptian Third Army, as President Sadat will admit. It also brought about negotiations. We will keep our word to help those negotiations

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produce results. Each Secretary of State follows his own style, and each decade follows its own necessities. What we have said that we will do, we will do. But you will have to watch what we do and not what we say.

Adham:

What is your opinion of Resolution 242? It is worded so vaguely that it is difficult to know what "implementing Resolution 242" means. What, in your view, is a fair solution? How can you help us if you do not know what is fair? How can we help you if we do not know what your objective is?

Kissinger:

Now first, let me say that I agree with your analysis of the inexactness of the wording of Resolution 242. When I came to Washington in 1969, I did not know the exact contents of Resolution 242. When I read it, I thought it was so vague that it could not mean anything decisive.

I spoke candidly with your responsible officials. I do not want to go into detail about those discussions. But I would point that the Europeans and the Japanese can say what you want to hear about the meaning of Resolution 242 as long as you give them oil. They can make promises, but they cannot give you anything, only we can give you progress. We have told friends that we can bring about progress.

Israel has never withdrawn; Israel has always advanced. Any Israeli pullback will, therefore, be a difficult experience for Israel. We want the Israelis to address that issue on its merits. We do not want to fight theoretical battles with them. There are strong pressures directed against us in the United States.

We have avoided a very precise answer to that question. The Israelis are still on the West Bank of the Suez Canal, deep on the Golan Heights and on the West Bank of Jordan. When I was in Peking on my last trip, I said on television that whatever a settlement brings it will involve Israeli withdrawal from Arab lands.

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We will answer your question more specifically in time. When we say that we will help to achieve a settlement, we know full well that it will have to be in accordance with the interests of the parties. I know that you must see some results in a measurable period of time. But, you must wait for a more precise answer to your question because to answer it now would only make the process more difficult.

Saudi:

You have signed the United Nations Charter. There is no reason on earth to justify the occupation of territory by force. What if the new borders are insecure? What if a secure border for Saudi Arabia lay in the middle of Iran? Is this not a matter of principle?

Kissinger:

I have said and the President has said that we are prepared to assist in the "implementation of Resolution 242 in all of its parts." One part of Resolution 242 says that there should be "no acquisition of territory by force."

Saudi:

People tend to say that a solution should be negotiated. But the UN Charter condemns the acquisition of territory by force. If there is a negotiation which permits such acquisition, then there is a violation of principle.

Kissinger:

There has been great progress in the Arab World in recent months. Arab arms have restored Arab dignity. A number of important lessons have been learned. In the past, there has been great Arab interest in proclamations about the principles of a settlement. Now there seems to be serious Arab interest in having progress first and proclamations later.

Turki:

You are asking the Arab countries to wait and see what results there will be soon. This promise of results is based on personal guarantees by President Nixon and by you, Secretary Kissinger. What if something happens to you, Mr. Secretary, or to President Nixon? Is the American Government committed to a settlement along the lines you have described?

Kissinger:

I will try to give you an honest answer. It seems to me that it is imperative for President Nixon to be involved in this process. If there is a change in the administration, it would

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be months before new lines of authority are established. Vice President Ford has told me that he would want me to stay on if he were to become President, but it would be months before the new lines of authority could be established. If I were to leave, since I have built up a wide network of relationships, it would make a significant difference. [Laughing and pointing at Mr. Sisco] Sisco disagrees because he wants my job.

One thing is important to understand. I can see why Arabs on one level would consider the US as opponents. On another level, however, there is a strong Arab interest in strengthening those of us who are determined to make a major effort to achieve peace.

This point should be kept in mind as you consider your policy on oil. The American public will not understand if they see that the first administration willing to have a disagreement with Israel is being punished by the Arabs.

Sisco: I want to say in all candor that this is one of the best questions that has been asked. And I want to say without any intention of flattery that there is a very large personal element in Dr. Kissinger's involvement. Of course, the objective conditions in the Middle East have changed and have a great deal to do with the situation. But one of the important aspects of the new situation is the Secretary's deep personal involvement.

Kissinger: I want you to understand one of the examples of myths and reality in the United States. The University of Chicago [where Sisco got his degree] is probably every bit as good as Harvard, but the American people don't know it.

Sisco: Foreign policy is an amalgam of continuity and change. We do have objective conditions in the Middle East that affect what our policy can be. But at the same time you are working with one of our Great Secretaries of State. If we lose this opportunity we will be losing our best opportunity in a long while.

I have often said that our Arab friends too often have had to settle for words rather than deeds. We could spell out in detail the meaning of Resolution 242, but that would marshal forces

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in our country which would make it more difficult to achieve the objective envisioned in Resolution 242. We could be shot out of the water at home. This is why we prefer to proceed a step at a time.

We understand where our interest lies, and we understand the relationship of territory and peace. It is hard to see how there can be peace with the acquisition of territory. Regardless of that, patience will be required in order to get there. Regardless of the position we take publicly, you will either have confidence in our efforts or you will not. In any case, we hope that much less patience will be required than at any time in 1967.

Adham: We feel that our Egyptian friends have confidence in you. We share their optimism. But we are not in the position that the Egyptians are. One important thing to us is Jerusalem. The Egyptians can leave that issue until last. If we felt somehow that the Jerusalem question was going to be solved satisfactorily to us, we would be glad to wait. Many people say that Dr. Kissinger asks for confidence. But what about the 6-point cease fire agreement? So far it has not been fully implemented. In the early stages Secretary Kissinger failed to put pressure on Israel.

Kissinger: Before this trip, some of our journalists said that Sadat feels that I tricked him, but we spent 10 hours together talking. I had told President Sadat in September exactly what I intended to do, and I did exactly what I promised. I did not in those 10 hours have any feeling that President Sadat felt he had been tricked.

I have never believed that Israeli withdrawal to the October 22 lines was important. Israel would like a terrific fight over some trivial issue. They could develop a great deal of domestic support in the United States for their position. Why should the United States fight for five kilometers on the West Bank of the Suez Canal? Whatever Resolution 242 says about final boundaries, one thing is sure--that the final boundaries are not on the West Bank of the Suez Canal. Why should I use my prestige for an insubstantial withdrawal? On the other hand, a big withdrawal was not possible before

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the Israel election. I just wanted to do enough in establishing the ceasefire to save the Arabs from another defeat. Also, I used November and December to organize support for my position at home.

Arab confidence should not be related to the ceasefire. The ceasefire saved the situation for the Egyptian Third Army. I did not fail to achieve an Israeli pullback, because I did not try for one. Moreover, I told President Sadat and King Faisal exactly what I was going to do and have done just that. I have told each of them the same story about what I intended to do.

Adham: I hope you will convince them in Damascus to have confidence in you.

Kissinger: My most difficult stop will not be in Damascus but in Tel Aviv.

Sisco: We are hopeful that we can achieve a broader disengagement in a reasonable time.

Kissinger: We do not want you to talk about it. It is easier for us to do more than we say. This is a curious situation because normally it is easier to say more than we can do.

Adham: You can be sure, Mr. Secretary, that we will talk only to those to whom you have talked.

Kissinger: Our press is dominated by those who do not want progress. There are only two possibilities: Either we are sincere, or we are tricking you. You will find out which is the case in a matter of a few months.

Saudi: To many Arabs, it seems that both your proclamations and your deeds are supporting Israel. Secretary Rush in Israel made strong statements of support. Then Secretary Rush went to Congress and urged the Congress to speed up the appropriation of aid to Israel.

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Kissinger:

You must understand. When one testifies before Congress that is not a situation that produces calm reflections.

Also, why should we not go ahead with the appropriation? We have already paid the price. You have imposed your embargo. Moreover, we have to give Israel a sense of security. If we are not going to agree with their using both territory and weapons to produce security than we have to supply weapons. The fact that something is approved by Congress does not necessarily mean that it is delivered. We need the weapon of the appropriation, because then it can be withheld.

You must realize that one half of the appropriation pays for what has been delivered. The rest is for equipment that has not been purchased yet.

You must also understand that when I am at Tel Aviv Airport, there is no way that I can avoid saying something friendly toward Israel.

[The Secretary thanked his hosts for a most interesting discussion, and Nazir thanked Dr. Kissinger for the candor of his presentation.]

Harold H. Saunders

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