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 By JW Date 3-20-02

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DEPARTMENT OF STATE

BRIEFING MEMORANDUM

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1973-12-3, Faisal, Yamani, Kissinger

December 3, 1973

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To: The Secretary

From: T - William H. Donaldson

Your Meeting With Yamani

This memorandum outlines the approach I recommend you take with Saudi Petroleum Minister Zaki Yamani and Algerian Oil Minister Belaid Abdelsalam.

Following are the principal talking points I suggest you use with Yamani. They draw upon the attached memorandum from Winston Lord (Tab A) and Joe Sisco (Tab B) in a way that I think would set the proper tone for your session. I suggest you also read these memoranda for further background. The S/PC memo sets a psychological framework, atmospherics and basic themes that could be gotten across to Yamani; it also includes illustrative specific actions to ease the embargo that you would not raise with Yamani but we might wish to consider in the wake of your conversation. The NEA memo gives you further background and analysis on the visit and our approach.

Suggested Talking Points

1. Over the short haul, the Arabs can damage the economies of the advanced industrial countries through the oil embargo, and the U.S. holds the key to bringing the Israelis to the bargaining table in a reasonable mood.
2. However, we cannot and will not continue to play a meaningful role in the ongoing peace negotiations (and we have brought parties to the table) unless at that point, the embargo (read "blackmail") is lowered -- we would not stand for it, and the U.S. public would not stand for it.

NODIS REVIEW

Cat. A - Caption removed; transferred to O/FADRC with additional access controlled by S/S

Cat. B - Transferred to O/FADRC

Cat. C - Caption and custody retained by S/S

Reviewed by: Allen

Date: 2/14-18-78

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4. We are not seeking a confrontation (we have resisted mounting pressures that we institute counter-measures) and we are fully aware of the "face" aspects: it is difficult for Saudis to move from an overt position of boycott until 242 settlement and difficult for us to even suggest that we are responsive to blackmail by staying involved one day beyond getting everybody to the bargaining table.

5. Therefore, what we seek is a compromise -- a de facto ~~lightening of pressure -- and easing of embargo.~~

6. There are other long-term reasons which make sense for the Saudis:

a. You have made your point -- the Arabs can take concerted action. Now as the cold winter sets in, you can win world-wide approbation by letting up -- you can always reinstate the embargo if talks break down, but the environment of talks (no gun pointed) is important.

b. You run a substantial risk of overkill with long-term hostility toward the Arab world and long-term lack of believability in the Arabs as suppliers of not only oil, but of any other products that you may seek to supply as you diversify your economies.

c. You may provide a rallying point for crash program development of alternative energy resources in the U.S. -- which could force us to go "too far" in self-sufficiency aims over the long haul. You should not cause inefficient and high cost alternatives to be used exclusively because of security reasons.

d. Strengthening Soviet influence and weakening the U.S. ability to respond is certainly not in the Saudi's interest.

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