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 By *JW* Date *3-20-02*



DEPARTMENT OF STATE

## ACTION MEMORANDUM

*9/31/81*  
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 1973-7-27, Faisal, oil, Protection  
 JUN 27 1973

SECRET/EXDIS

TO: The Secretary

FROM: NEA - Joseph J. Sisco *JTS*Letter to King Faisal

King Faisal's frustrations at what he conceives is the unwillingness of the U. S. to take new steps on the Arab-Israel issue and the criticisms he is receiving from other Arabs for his close cooperation with us are coming even more to the fore. In the last three weeks, Faisal has for the first time expressed personally in public on at least two occasions his view that Saudi Arabia's ability to continue cooperating with the U. S. in expanding Saudi oil production would be difficult unless U. S. Middle East policy becomes more balanced. Should Faisal move to have Saudi Arabia hold to its present production, which is just over eight million barrels per day, it will soon begin to have a disruptive effect on the world's energy situation.

We are continuing to consider steps we might take, including a possible high-level mission to Saudi Arabia, to try among other things to convince Faisal that we are continuing to make a serious effort to achieve an acceptable political settlement in the Middle East. We are also seeking to find ways to cooperate in meeting Saudi objectives to industrialize or to find other useful outlets for surplus revenues from oil. Meanwhile, we believe we should take an initiative now at the Presidential level so that Faisal will feel that his concerns are being heard at the highest levels in Washington. An initiative is all the more important now since Faisal is going to be disturbed by our July 26 veto in the Security Council. We believe this can best be done by sending a letter from the President to Faisal touching on the Arab-Israel issue, our recent decisions to be helpful in meeting Saudi security concerns, and opening a dialogue on economic

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GDS--DECLAS Dec. 31, 1981