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

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DEPARTMENT OF STATE

Memorandum of Conversation

1973-4-30, Faisal, oil, Production

DATE: APRIL 30, 1973

SUBJECT: Saudi Arabian Minister of Oil Yamani's Views on Future Levels of Production

PARTICIPANTS: Mr. Henry Moses, Vice President, Mobil Oil Company

George M. Bennis, EB/ORF/FSE
Rodger P. Davies, Deputy Assistant Secretary, NEA *RPD*DISTRIBUTION: NEA - 2 Amembassy JIDDA - 1
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Mr. Moses came in to pass on his impression that Zaki Yamani had been directed by King Faisal to make clear in Washington that unless there were improvements in the atmosphere in the Near East with respect to U.S. policies toward the Arab-Israeli problem, Saudi oil production would be held to levels meeting Saudi financial requirements notwithstanding rising energy demands in the U.S., Japan, and Western Europe. Mr. Moses was concerned that with typical Saudi circumlocution, Yamani's point might not have gotten across.

Mr. Moses said he had attended the ARAMCO board meetings in San Francisco with Yamani, Prince Saud, and Abd Al-Hadi Tahir earlier in the month and that the Saudi had voted for the heavy capital investment for increased production in future years, including his government's contribution as a 25 per cent shareholder. Following Yamani's meetings in Washington, Moses had flown him to London on the company plane. Yamani had spent the entire trip telling Moses what he had told U.S. officials in Washington, but practically nothing about what U.S. officials had responded. With the Washington Post interview reporting Yamani's statement that production would be limited to Saudi needs unless U.S. policy shifted

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