

DECLASSIFIED

Authority E.O. 12958

By AW KAR Date 10/12/00

DECLASSIFIED

E.O. 12958, as amended, Sect. 3.5

NZM 01-25/21 66-272 00/16/06By AW Date 03/15/07

[ps. 1 of 3]

~~SECRET~~ NODIS

7311911

BRENT:

THE MEMO I MENTIONED,
SHOULD WE BE REPRESENTED?

WAL

DEPARTMENT OF STATE
WASHINGTON.

July 2, 1973

17B-7-2
Faisal, Mission
Nixon, Mission~~SECRET~~/NODIS

MEMORANDUM FOR THE PRESIDENT

Subject: High Level Mission to Saudi Arabia

We have received a number of signals recently of King Faisal's growing frustration at the lack of any movement over the Arab-Israeli issue and at what he considers as continued one-sided U.S. support for Israel to the neglect of our interests in the Arab world. Faisal is particularly disturbed by what he sees as rising tensions in the area: Sadat's growing desperation and talk of resuming hostilities even if it brings a new disaster to the Arabs; the danger that frustrated Palestinians will now turn on Saudi oil installations as their next target; and rising pressures by other Arabs on the Saudis to use their oil as a political weapon. These concerns were conveyed during the visit in April by Saudi Oil Minister Yamani and by Faisal in meetings with ARAMCO leaders on May 2 and again more pointedly on May 23.

Faisal is torn between his desire to preserve the friendship and support of the U.S. which he needs for the Kingdom's security and development and his need to avoid isolation and ostracism within the Arab world. We believe he sincerely wants to maintain his close ties with us. With Saudi oil production now well in excess of Saudi income requirements, however, pressure is growing at home and among other Arab states for Saudi Arabia to limit future oil production increases on the premise that the oil will appreciate in value faster if left in the ground and that the U.S. will not otherwise be persuaded to change its Middle East policy. Faisal not only personally feels strongly about seeing progress in the Middle East

~~SECRET~~ NODIS

DECLASSIFIED

Authority E.O. 12958

By NA NARA Date 01-20-01~~SECRET~~ NODIS~~SECRET~~/NODIS

but wants to be able to point out to his critics the political and economic benefits he expects to derive by continuing his close association with the U.S. and allowing continued growth in the Kingdom's oil production. While we have been responsive to his request to sell some Phantom aircraft and we are considering how best to respond to Oil Minister Yamani's request for help in industrial development using Saudi gas resources now being flared, this is not enough to reassure Faisal from the political standpoint.

In light of these concerns, I believe it would be useful and timely to send a high level official mission to Saudi Arabia which I would plan to head. I would expect to be accompanied by the Deputy Secretary of the Treasury, Mr. Simon, Assistant Secretary Sisco, and an appropriate representative from Defense. My mission would have a broad mandate. Its objectives would be: (a) to reassure Faisal that we continue to place a very high value on our ties with Saudi Arabia; (b) to remind him what we have done and are prepared to do to preserve our mutual interests in the Peninsula; and (c) to open a dialogue on three issues--Saudi Arabia's security concerns and our recent decisions to be helpful; the Arab-Israeli issue; and economic diversification. The mission would also review recent steps you have taken to coordinate activities of different U.S. agencies concerned with energy.

We believe that the best time for this mission would be early August. By then, the UN Security Council debate will have ended and the Saudi leadership, which is presently preoccupied with the preparation of the new budget, will have just completed this task.

The most difficult task will be to lessen Faisal's frustration over the Arab-Israeli issue. We will not be able to satisfy Faisal fully on this point. By the time of this mission, however, we will have taken a positive posture in the Security Council on

~~SECRET~~/NODIS
~~SECRET~~ NODIS

DECLASSIFIED

Authority E.O. 12958

By *W* KARA Date *12-01***SECRET NODIS**~~SECRET~~/NODIS

3

a renewed United Nations involvement and will be indicating to Faisal our continuing quiet contacts with the Israelis and Egyptians. These should be helpful in demonstrating to him our continuing engagement in promoting an Arab-Israeli settlement, even though we cannot yet point to anything decisive and, realistically, cannot expect to be in a position to go any further at that time.

We hope this mission will have the effect of strengthening Faisal's resistance to taking steps which would hurt U.S. interests in Saudi Arabia and encouraging him to continue to pursue moderate and constructive policies on oil and Arab-Israeli matters. By having the mission go directly to Saudi Arabia with no other stops in the Middle East, we hope to impress him with the importance we attach to deepening our dialogue with him on these questions. If Faisal responds positively to the mission's offer of further dialogue on economic matters, we would propose to send a follow-on investment mission sometime this fall to discuss how the United States might be able to facilitate industrial diversification in Saudi Arabia and to review the availability of attractive outlets in the American economy for surplus Saudi financial resources. This latter mission might thereafter also visit other capital-surplus countries in the Arabian Peninsula.

Unless you perceive an objection, we plan to proceed in contacting Faisal.

Annabeth Bush
Acting Secretary

~~SECRET~~/NODIS**SECRET NODIS**

[ULM 01-28/21]
[pg 3 of 3]