



S/S-7309741



DEPARTMENT OF STATE

Washington, D.C. 20520

May 30, 1973

73-5-30, Faisal, Nixon, Letter

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MEMORANDUM FOR MR. HENRY A. KISSINGER
THE WHITE HOUSE

Subject: Proposed Letter from the
President to King Faisal

King Faisal has been reflecting an increasing sense of foreboding over the lack of any progress on the Arab-Israeli issue and the absence of a new US initiative. In the face of criticism at home and among other Arab countries for the Kingdom's close association with the US, Faisal is frustrated by his inability to point to: a) any progress on the Arab-Israeli dispute despite his several messages on the subject to President Nixon; or b) political or economic benefits he expects to derive by continuing to expand the Kingdom's oil production above its income requirements.

He has recently expressed his concern to ARAMCO and to our Ambassador in Saudi Arabia that American oil interests in the Middle East will be in serious trouble unless there is a significant US policy shift. As Saudi Arabia becomes the second largest oil producer and the only country in the world which still has the ability to augment its oil production significantly beyond 1980, Faisal feels more and more exposed to Arab pressures to use this leverage to compel changes in US Middle East policy. Now that oil production is in excess of Saudi Arabia's foreseeable income requirements, pressure is growing at home for the Kingdom to level off its oil production or to make further growth dependent upon the US pressing Israel to withdraw from all occupied territories. Saudi leadership also fears that unless progress is made on the Arab-Israeli issue, oil installations in the

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EO 12958, as amended, Sect 3.5

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By WJA Date 03/17/07

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