

SECRET

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Department of State TELEGRAM



1974-1-28, Faisal, Nixon, oil

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 TO AMEMBASSY JIDDA NIACI IMMEDIATE 3825
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 S E C R E T STATE 018387

NODIS/CHEROKEE

E.O. 11652- XGDS

TAGS: PFOR, SA

SUBJECT: LIFTING OF OIL BOYCOTT

REF: JIDDA 440

1. KING'S STATEMENT GIVEN YOU BY SAQQAF (REFTEL OBVIOUSLY LEAVES US IN SOMETHING OF A QUANDRY ABOUT PRECISELY WHAT SITUATION WILL BE WHEN PRESIDENT DELIVERS HIS STATE OF THE UNION MESSAGE WEDNESDAY EVENING. WE ALSO NOTE THAT KING'S STATEMENT SAYS NOTHING ABOUT ENDING THE PRODUCTION CUTS. WE ASSUME, HOWEVER, AND IN FACT BELIEVE IT IS ESSENTIAL THAT THIS BE PART AND PARCEL OF LIFTING EMBARGO, SINCE HERE TERMINATION OF EMBARGO AGAINST U.S. WITHOUT INCREASES IN PRODUCTION WOULD ONLY CREATE EVEN TIGHTER SUPPLY SITUATION FOR OTHER CONSUMERS. IS IT YOUR UNDERSTANDING THAT OUR FOREGOING ASSUMPTION IS CORRECT?

2. YOU SHOULD KNOW STRICTLY FYI THAT SADAT HAS INFORMED US HE HAS ASSURANCES FROM FAISAL THAT EMBARGO WILL BE LIFTED IN TIME FOR PRESIDENT TO ANNOUNCE THIS WEDNESDAY. SADAT SAYS THAT ABU DHABI, BAHRAIN AND QATAR ALL AGREE; KUWAIT ALSO AGREES BUT WANTS PRESIDENT TO INCLUDE STATEMENT IN SUPPORT OF RESOLUTION 242. SADAT ALSO SAYS HE ANTICIPATES NO PROBLEM WITH ALGERIA. FOREGOING IS OBVIOUSLY MUCH MORE CATEGORICAL THAN MESSAGE FROM FAISAL TRANSMITTED REFTEL. WE ASSUME, IN LIGHT OF SAQQAF'S AND ADHAM'S EARLIER ADVICE TO YOU, THAT IT WOULD BE COUNTERPRODUCTIVE TO USE SADAT'S ASSURANCES TO US WITH THE KING, BUT WE WANT YOU TO BE FULLY IN THE PICTURE RE WHAT EGYPTIANS ARE TELLING US.

3. IN THESE CIRCUMSTANCES AND GIVEN TIME FACTOR AGAINST WHICH WE ARE WORKING, IT SEEMS TO US THAT BEST WAY TO PROCEED IS FOR YOU TO SIMPLY INDICATE TO SAUDIS WHAT

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