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**The documents in this
folder continue from the
previous folder.**

March 19

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~SECRET/NODIS/XGDS~~

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

Yitzhak Rabin, Prime Minister of Israel
Yigal Allon, Deputy Prime Minister and Minister
of Foreign Affairs
Shimon Peres, Minister of Defense
Simcha Dinitz, Ambassador to the United States
Lt. Gen. Mordechai Gur, Chief of Staff
Mordechai Gazit, Director General, Prime
Minister's Office
Avraham Kidron, Director General, Ministry of
Foreign Affairs

Dr. Henry A. Kissinger, Secretary of State and
Assistant to the President for National Security
Affairs

Amb. Kenneth Keating, U.S. Ambassador to
Israel

Joseph J. Sisco, Under Secretary of State for
Political Affairs

Alfred L. Atherton, Jr., Assistant Secretary of
State for Near Eastern and South Asian Affairs

Harold H. Saunders, Deputy Assistant Secretary
of State for Near Eastern and South Asian Affairs

Robert B. Oakley, NSC Staff

Peter W. Rodman, NSC Staff *PMR*

DISCUSSING
EC. 10/17/103
STATE Dept Review
SF 9/17/103
HR 10/19/103

DATE AND TIME:

Wednesday, March 19, 1975
8:45 - 10:20 a. m.

PLACE:

Prime Minister's Residence
Jerusalem



Kissinger: The only thing that happened on our side since yesterday is that Sadat has written a letter to Ford to complain about the negotiation, and it went directly to Washington. I only got a copy this morning.

~~SECRET/NODIS/XGDS~~

CLASSIFIED BY Henry A. Kissinger
EXEMPT FROM GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
EXEMPTION CATEGORY 5 (B) (1, 3)
AUTOMATICALLY DECLASSIFIED ON Imp. to Det.

I don't know how they're handling it there. We'll work on a reply on the plane.

Rabin: I can imagine we'll receive something from Washington.

Kissinger: No. You will not receive anything. At least I don't think so.

Rabin: Do we have all the formulations, Gazit?

Gazit: Yes, we have it.

Kissinger: And Fahmy saw Eilts and said that what they were particularly resentful of is that this went on for a month, and they can't understand it. They made it clear what they wanted and what they couldn't give up. They can't understand why we engaged ourselves.

Rabin: Yesterday what line did you discuss with them?

Kissinger: The eastern end of the passes.

Rabin: And some cooperation in the oil fields.

Kissinger: I didn't go into that. They didn't agree to that, incidentally. They replied saying if they can only have a UN zone, you have to move the same distance.

Rabin: The radio said it had to be a line from Bardawil.

Kissinger: No line was ever discussed. The southern line -- to El Tor -- was never discussed as a line, but only as "the oil fields." I suffered from the misapprehension that El Tor was the main town of the oil fields. Is there any oil at El Tor?

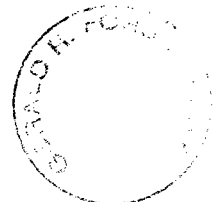
Gur: Not yet. Maybe in the sea.

Rabin: At Abu Rudeis it's offshore.

Kissinger: If it is there, isn't it logical it would be all the way down the coast?

Rabin: This is their estimate.

Peres: That's the way they figure it out.



Allon: It's maybe the same source.

Rabin: To sum it up, what they want for the wording they got is either of two options on the ground -- a division of the passes, or

Kissinger: A division of the passes. Their concept is the great part of the passes would be under the UN.

Rabin: Yes.

Kissinger: But the forces are at each entrance.

Rabin: At each entrance.

Kissinger: When Gamasy drew me a line, it looked like this. [He draws a line on a paper]. It is not geared to any topography.

Rabin: And a line drawn south and north to the sea?

Kissinger: Yes. My impression is the line would then go straight to the sea.

Rabin: And south to El Tor.

Kissinger: And south to El Tor. And the only time we had a discussion on that was when I raised that point of yours about how it would be staged. The enclave.

Rabin: And for these proposals they put no duration, even secretly, in a dimension of seven years, five years, can be given?

[Sisco confers with the Secretary.]

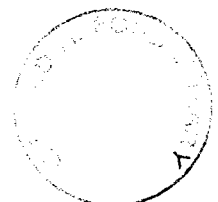
Kissinger: Joe reminds me that they once spoke of fishing areas in the north.

Allon: At the first meeting you told us that.

Kissinger: When I brought you the map.

Allon: Because it may be that oil is there, too, in the fishing area.

Peres: It's not definite.



Rabin: Our people say there is oil everywhere, but we never find it. When we return it to Arab sovereignty, they'll find it.

Kissinger: Brazil found some. It's helpful, because it takes them off the market.

Allon: So we can't solve your energy problem.

Rabin: I tell you quite frankly: We'll bring it to the Cabinet today. I'm more than doubtful it can be worked out. Not to create any illusions.

Kissinger: What will you announce after the Cabinet meeting?

Rabin: I understand your problem. You don't want anything to be known to Sadat until you're there tomorrow.

Kissinger: Yes. They picked up the speech you [Peres] made yesterday before our meeting.

Peres: That we want to make peace.

Sisco: They picked up what was in the press -- that the Arabs weren't serious.

Kissinger: They thought this was an answer rejecting their proposal.

Rabin: Maybe I can drag the Cabinet decision tomorrow morning.

Kissinger: Then you'll still leak it.

Rabin: When do you want to leave?

Kissinger: The area? The Egyptians will be ready to jump all over you.

Rabin: What will happen with the Geneva Conference?

We can put it in terms of a gap between the positions being still wide. We don't want to say anything about what you did. You'll get the best compliments.

Peres: What you have from us is never given to the Cabinet.

Rabin: That's why we take it to the Cabinet.



Peres: We can take these ideas, impressions and make it official.

Kissinger: I think I should come back Friday to Israel, and then leave. Symbolically it is better if I leave from Israel.

Rabin: That's better.

Kissinger: That's the way.

Dinitz: I think it's better to leave from here.

Kissinger: That can be accomplished only if the break-up is announced from here.

Rabin: We won't announce anything about the continuation or non-continuation.

Kissinger: Can you delay saying anything? That you gave us a response? Presumably they'll agree to more than the December decision, so you can avoid the impression that you're cutting it off.

I think your Cabinet has to understand that in America this is going to have serious consequences. And I have to say this as a fact. However, we got to this -- whether it was a breakdown of communication or a misunderstanding -- we have invested seven months, and our relations with the Arab world and many other countries -- Iran, West Europe, and many others. You won't get a letter from the President.

Allon: You won't tell us what is in the letter from Sadat?

Kissinger: Yes. Do we have it?

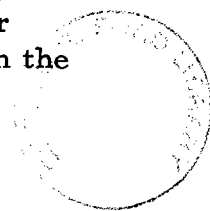
Saunders: Yes.

Dinitz: Isn't it a strange way of negotiating? To write to the President while you're here?

Kissinger: It has never been done before.

Sisco: It shows how seriously they take it.

Kissinger: [reads the letter:] "Dear Mr. President: At this particular juncture I felt it may be opportune to share with you certain thoughts with respect to the present stage of the negotiations carried on by your Secretary of State. I am sure that Dr. Kissinger is putting you in the



picture. However, you may agree with me that the situation reached almost a deadlock as a result of the Israelis' continued intransigence, insisting that we give them in return for a very limited disengagement agreement, a statement lifting belligerency or a formula under which all the implications of a real and final peace would ensue. I hope you agree with me that it is impossible on that basis for the Israelis to get concessions which could not be given under any pretext except when we reach the final state of a just and durable peace....

"From your messages, I am sure you are aware of the position of the parties and that on that basis you have instructed your Secretary of State to come to the area to try to bring the parties to agree on a further step after long and arduous efforts to prepare for his trip. Most unfortunately, as you must have known from your Secretary of State, we have almost reached a deadlock because of the intransigence of the Israelis, which is completely out of proportion as far as the limited goal of the present exercise.

"In conclusion, I would like to assure you that, irrespective of the results of the present mission of Dr. Kissinger, it is my intention to continue to develop our relations. The purpose of my message is to draw attention to the serious repercussions on the chances of peace and tranquillity in the area and on international peace and security in general if the Israeli Government continues to follow such a defiant position, and, as such, they bear the full responsibility if the situation deteriorates because of the line they are adhering to."

Rabin: It doesn't mention our proposal.

Kissinger: He says either a statement of nonbelligerency or those things which amount to it.

Allon: His main point is, we insist on a formal legal status of nonbelligerency, which is more or less like a state of peace or an end of the state of war.

Kissinger: That's right.

Allon: He doesn't make any reference to the proposed lines. I'm not talking about propaganda. If procedures come to nothing, he is misleading the President and we will say this with all the means at our disposal.

We gave up the demand for a formal end to belligerency. We told you we would accept the non-use of force.

Kissinger: That is not quite true because you added hostile acts.



Allon: We're ready to let the Egyptian army take over the present UN zone in the Sinai -- although this is not yet official. When you informed us about the Gamasy approach, you thought that's what he wanted. And even now, when you came back, you told us there are two options -- either control of both entrances or to keep away from the passes on both sides.

So we assume the legal phrasing of non-use of force seems to him too strong. So the problem is how to redraft it.

Kissinger: There is one point. If it's non-use of military force, that is one point. If you want to make him give up the embargo, and so on, there is no way around it. I don't see how the boycott affects your military security.

If I knew your position, I wouldn't have come out here. I thought it was just non-use of force; that he has accepted.

Allon: I'm arguing with Sadat, not you.

Kissinger: No, I was confused. Two months after this breaks down, no one will remember how it breaks down.

Allon: I haven't given up hope yet. The phrasing you brought back from Egypt on non-use of force is even weaker than in the disengagement agreement, not even regarding the boycott, and so on.

Kissinger: How is it weaker than the disengagement agreement?

Allon: It is too early to ask our lawyers.

Kissinger: Fahmy said this has to be drafted by Rosenne. I said Gazit could have done it. He said no, Gazit is too sensible; it has to be Rosenne. [Laughter]

Sisco: [to Gazit] You have a real compliment.

Allon: [to Gazit] When you get a compliment from Fahmy, you'd better think again. [Laughter]

When you brought us this from Cairo, when you told Simcha that you thought maybe it could last two, maybe three years, and if you're clever enough maybe four....

Kissinger: No, no. I said de facto, if you're clever enough.



Allon: But now we hardly get one year. We get hardly until 1977. And I recall Eisenhower before an election had the courage to get us to move from the Sinai. So I can't tell what Ford will do.

Within ten minutes after the break-up, I'll have a press conference and tell everyone what we were prepared to give.

Therefore, probably something happened in Cairo in the junta itself -- with all respect to that republic. The wording of non-use that he gave through you is worth nothing, politically, not to speak of legally. To give it to the kindergarten of Ginossar would be a disgrace, not to mention the Knesset.

Kissinger: It's important that we keep straight what is going on. They said, "military and paramilitary forces." You said it's the same as the disengagement. Then they came up with non-use of force, which from their point of view was strengthening it. I'm sure we can also add "military and paramilitary," if it meets someone's needs.

Allon: That's in the disengagement agreement.

Sisco: That's the Secretary's point.

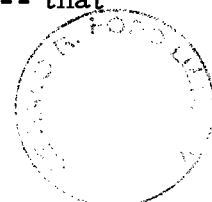
Kissinger: Any further definition on the military side is not a problem; what they fear is to be separated from the other Arabs.

Rabin: We gave two proposals -- the passes and the oil fields, we're ready to evacuate in return for non-belligerency. Second, for something less, to evacuate the most part of the passes and to have some sort of cooperation on the question of the oil fields. What you brought back is for a formula on non-use of force. We're asked either to divide the passes or leave it in the UN zone. Therefore, it has nothing to do with non-belligerency.

Kissinger: That's right.

Rabin: So let's talk about his proposal. What he wants is the passes and the oil fields for practically nothing, with no commitment beyond one year and automatic renewal of the UN.

Kissinger: How do you interpret the phrase -- which you gave us -- that the agreement lasts until it is superseded by another agreement?



Rabin: Because the lawyers explain that in a state of belligerency, arrangements between parties can be explained by law.

So we have to put these two proposals. He can try to put whatever he wants, but basically they are different, and the price of the two is different. This is the question.

Kissinger: But the formula you put on non-use of force, they consider the equivalent of nonbelligerency. I never understood, when you told us that non-use of force was something, that because it's not nonbelligerency it isn't worth anything. Can you explain in America that if they attack you tomorrow and then say "we only signed a non-use of force pledge and not nonbelligerency," that that would cut any ice with any senior official?

Allon: Since July you've told us, and you are right, that it was not possible to get nonbelligerency. But you said -- and rightly -- that it might be possible to get some elements of nonbelligerency. Let's sit quietly and list the elements that are something substantial.

Kissinger: I must say, I frankly thought -- since I didn't understand it. I may have misled everybody on it -- that the non-use of force was something you did want. I led the Egyptians to believe this was a significant concession on their part. They'll be absolutely startled to hear that you consider it weaker than the disengagement agreement. If we all thought this was not desirable, we should have gone to Geneva. We would be where we are, but we could have sold Geneva to the Russians. But to fight with the Russians through numerous meetings, on the step-by-step, to keep the Europeans out of it, and then at the end to fail for reasons that were perfectly clear in November -- this is a serious question for the United States. This is a humiliation of the United States. This has to be faced. Humiliation of personalities can be handled; personalities aren't permanent, but countries are. It will be seen this way in the United States. You'll have a terrific propaganda victory for four weeks -- then when UNEF and UNDOF don't get renewed, and there will be pressure for Britain and France to join, which we won't be able to resist, if you think you can score points with the difference between nonbelligerency and non-use of force, you're smoking pot. When the President told you it was not possible....

Rabin: Unattainable.

Kissinger: You thought I coached him and that I coached him wrong. Now it's proved correct. I don't understand. You got cargoes, reduction of

propaganda -- I admit it's not much. But for an Arab government to say "the problem should be solved by peaceful means and not by military means" and "there shall be no resort to force for the duration of the agreement" is not insignificant. The record also shows that I always said there is no real quid pro quo.

I have to consider whether I want you to sign an agreement that looks in Israel as a surrender.

Sisco: Mr. Secretary, I've tried to put myself in Israel's shoes and I have asked how can we accept non-use of force instead of nonbelligerence. What does it mean for Egypt to say there will be no resort to force? When we report to you that Sadat said it's the equivalent to nonbelligerency. What it amounts to is that you've got in this formula the kind of commitment you've wanted from Sadat -- informally, in an open-ended agreement, and in the UNEF formula. From a practical point of view, it's 90 percent of what you wanted. And the opportunity to avoid all these consequences that will happen if it fails.

Allon: As my personal approach to the matter, in the joint document we sign, I accept that the non-use of force will be confined to military and security matters. In other words, we won't worry about an economic boycott, and the propaganda, because these can be solved in an understanding between Egypt and the United States, and between Israel and the United States. It will be only a military matter. Part of it can be in the disengagement agreement. Henry said it can be strengthened.

Kissinger: Once the principle is settled, parts of it can be strengthened. But they consider it stronger than nonbelligerency, incidentally.

I gave them both of your formulas.

Allon: Let's assume that with your good offices we can reach agreement on a formula of non-use of force which will deal with the military aspects, not only "in the Middle East" but with Egypt and Israel.

Kissinger: What do you mean by "with Egypt and Israel?"

Allon: In the preamble perhaps something should be done to bind the two parties.

On the question of economic warfare -- which is becoming much more dangerous than a military one....

Kissinger: But Egypt isn't your problem on that.

Allon: I admit this can be solved between you and them and us and America.

Secondly, the line. If they are speaking for the time being at least, that it's a second stage of disengagement, then it's a disengagement. They can't ask for withdrawals so large and they can't disarm us. So I don't think we can move beyond the UN zone, which may be given to them, with increasing their forces.

Rabin: I think they expect to increase their forces.

Kissinger: That is my impression.

Allon: You say it will last until it is superseded by another agreement. But how will we know it lasts?

Kissinger: There has been a breakdown of communication. When I said four years, it was never something contractual but always something we could do with Egypt de facto. And it could be supplemented by an understanding between us about what we would do.

Allon: Let's assume we ask nothing formally except that it will last until superseded by another agreement. But there will be an understanding between us and America that America will support us and make no demands other than what Israel will accept.

Kissinger: If I wanted to sell you this agreement, I'd write you a letter from President Ford saying America will support you....

Dinitz: We have a letter from President Nixon that "the U.S. will not ask Israel to move a single soldier before there is a final peace agreement."

Gazit: In July 1971.

Kissinger: Where was I when this was done?

Sisco: You cleared that letter, Henry.

Atherton: In fact, he changed it!

Sisco: You made a good change in it!

Peres: You say you believe this will rest alive until 1977.

Kissinger: Then you will face new pressures and a new situation -- not a legal side. And a new domestic situation in America.

Peres: We really want to create a situation where Israel will be able to face the dangers which one doesn't have to be a prophet to see. Until 1977, what will happen? We will go to the Syrians, and with little prospects. They will say "solve the Palestinian problem" and "withdraw from the Golan."

Kissinger: I'm not so sure. Four weeks ago the Syrians would have done it without the Palestinians. But your problem is the Golan Heights.

Peres: That will have no prospects.

Kissinger: I agree.

Peres: So in 1977 we shall face again great and serious crises.

Kissinger: Unless you can make drastic arrangements beforehand. You will face a crisis anyway.

Peres: We will have a longer defense line, less independence on oil, and the Syrians, while they negotiate, will maneuver around the frontier. Every day we will have to get up and ask "should we have an alert?" We understand the Egyptians. But we can gain in one of two ways -- either a real change in the Arab attitude -- and that is the real meaning of non-belligerency, namely a different state from what is existing for 27 years. And the Egyptians reject it. So we can gain either this -- and it is rejected not on Egyptian grounds but on Arab grounds -- or at least we gain time. On the northern front, if it's possible to negotiate, I can assure you we would prefer to negotiate with them. We are not a management to lead our country into war. What we can't do is make our defenses more complicated but our chances don't improve.

When you negotiate, you can't dictate. On our second proposition, we did compromise a great deal. Because our first proposal was not to give up the oil. So now we said it can be an enclave to give him back the oil. We can understand his difficulties in the Arab world, but he must understand that we need something either in terms of time or in terms of the situation in the Arab world. Once he rejects both....

We are perfectly well aware of what happens if it fails. We are not children. We agree. We understand it is in the basic Israeli interest to maintain the position of the United States.

Kissinger: Even if you say it's my fault, the result will be a massive loss of American influence in the Middle East, and no chance of ever having another exercise like this again. The United States will be out as a major player. Sadat can say a hundred times that he doesn't want his relationship with the United States to be affected by this; that's nonsense. That's the reality; all the rest is just talk. Israel has talked itself into a position where everything short of nonbelligerency is a defeat.

Rabin: That's not true. Not true.

Kissinger: I have to leave.

Allon: Would it help, in your judgment, if Yitzhak writes a letter to the President?

Kissinger: I have no objection. The President's actions will not be affected by what Sadat said or by what you say.

Rabin: It will invite a reply.

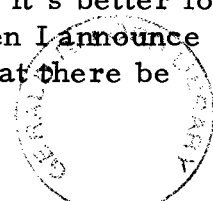
Kissinger: You will not get a letter, because I've urged against a letter. But you should have no illusions about what would be in a letter if there were one.

Allon: Would it be better if the Cabinet decides on an official decision that we are replacing nonbelligerency by the non-use of force?

Kissinger: But what do you mean by non-use of force? To strengthen somewhat what we got from the Egyptians?

Allon: Yes.

Kissinger: That could be done. We have the problem of how to manage the next 48 hours if there is a break-up. If there is a break-up I'd like to be in Aswan with Sadat not knowing there will be a break-up. Let him decide it's not enough, and I'll return here. It puts you in a weaker spot if he tells the press when I'm there that it's over. I think it's better for you if there is an Israeli Minister standing next to me when I announce the termination of this mission. Therefore, it is essential that there be discipline by the Cabinet.



Allon: How do we go about drafting the bilateral commitments?

Kissinger: When I'm in the area.

Rabin: Let's first find out if there is a basis for agreement. Then, no doubt, if there will be, there will be heavy demands on the bilateral.

Allon: But the nature and extent of the American commitment will influence my views on the other aspects of this agreement.

Kissinger: Within our financial limitations, we will do our utmost.

Could I see you for five minutes, Mr. Prime Minister?

[They met alone from 10:05 to 10:30 a.m. when the Secretary's party departed for Tel Aviv for the flight to Riyadh.]

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WASHINGTON

~~SECRET SENSITIVE~~

March 19, 1975

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT *BS*

Secretary Kissinger asked that I pass you the following report...

"I met for three hours with Rabin and his negotiating team this evening, presenting in detail the position conveyed to me by Sadat which I described in my last message to you. I gave them my judgment that while some drafting modifications are possible, what Sadat has now offered is the maximum he will be able to do. I also reviewed at some length the reasons why I thought Israel would face a much more dangerous situation if it did not reach an agreement along the lines of the present position, unsatisfactory as it is from Israel's point of view, than if it made an agreement now. I also reminded the Israelis that I have told them consistently since last July that an Egyptian renunciation of belligerency was unachievable in the context of the kind of Israeli withdrawal we are talking about.

"The Israeli team was clearly both disappointed and sobered by what I had to tell them. The most critical was Peres, who pressed very hard the view that, if Israel accepted what Sadat has offered as a basis for an agreement, it would be very shortly faced with renewed pressures on all fronts in a less favorable strategic position than it enjoys today. I acknowledged that, with such an agreement, Israel's problems would not be over but gave my judgment that both Israel and the United States would face those problems from a much stronger position than would be the case if the present negotiations failed.

"Following this group meeting, I met alone with Rabin. He is disposed to try to bring the government around to negotiating on the basis of the position I presented tonight, although at the moment he seems to be the only member of the Israeli team prepared to do so. In the circumstances, I concluded that the strong language you authorized me to use was not at this time necessary. Rabin and his colleagues will consider tonight what they can do, and we have agreed to meet early tomorrow morning and again tomorrow evening. In between, I will go to Riyadh for an audience with King Faysal."

Warm Regards

DECLASSIFIED

E.O. 12958, SEC. 2.5

~~SECRET SENSITIVE~~

HSC/MNO, 11/2/00, STATE DEPT. GUIDELINES

BY *HJR*, DATE 10/02/03



CHECKLIST FOR RIYADH

March 19, 1975

Background and Objectives

This will be a critical visit to Riyadh since there are strong signs that some Saudis are beginning to lose faith in the US, both as a great power which is willing and able to bring about a solution of the Arab-Israeli conflict, and as a suitable partner for mutually profitable economic endeavors. Your talks will be important in retaining King Feisal's support during the period immediately ahead when present positive trends of US political and economic cooperation with the Arab world will be subjected to critical review:

-- You will want to explain to Feisal (and Fahd) what you have done to create a negotiating dynamic; the present status of the negotiations and how you intend to proceed from here.

-- In this context it will be particularly important to tell him what you have done to convince the Israelis that they must negotiate again with Syria.

-- You will want to devote an equal effort to explaining who is behind the current public attacks on Saudi Arabia in the US and why; informing Feisal, Fahd and Yamani of the position of the Executive Branch on such issues as the boycott discrimination, arms sales, inward investment, and the use of force to seize oil fields; and giving them your judgment that if Saudi Arabia can be patient, this phase of madness will soon be replaced by reason.

-- You may also have time to explore a few more limited issues of mutual interest such as the producer-consumer cooperation, the continuing Ethiopia-Eritrea conflict, recent developments in Oman and South and North Yemen, and the Clements-Brown mission (set for April 5).

-- Correct the Saudi confusion over your views on oil prices (Tab B).



I. MIDDLE EAST NEGOTIATIONS.

You will know how much you wish to tell Feisal about the precise state of play in negotiations. You have told him you would make a major effort for Syria, as well as Egypt, and this aspect will presumably be the most important to be dealt with because of his simplistic view of what is possible in the Egyptian-Syrian relationship in negotiations. You will want to prepare him for what comes next, either in handling Syria and the PLO should prospects look good for a Sinai agreement or for bearing with us and calming the other Arabs if it appears the Sinai agreement will fail. In the latter case, he is unlikely to stay with us unless there is a full-scale confrontation with Israel.

We suggest the following points as road markers:

1. Go briefly over your strategic assessment and ask for Feisal's views, along the lines of your exchange with Hussein.
2. Summarize your talks with Sadat, Asad, Hussein, and the Israelis, recalling that he will have been briefed already by Kamal Adham on these talks.
3. Explain what you think may be possible for Syria (and the Palestinians) should you succeed with the Sinai step, stressing that the only way to do this is in sequence but that you and President Ford are determined to do it. In your last message you promised to explain in detail the Syrian aspect of negotiations.
4. Explain generally where we are on the Sinai step, how it is likely to evolve, and how you intend to proceed in these circumstances.
5. Tell him how crucial his support is for the achievement of Arab objectives.



II. SAUDI SENSITIVITY OVER ATTACKS IN THE US

The Saudis have reacted very strongly to what they view as a concerted "anti-Saudi campaign" in the United States. They are showing continued and increasing pain over (1) new magazine articles about "invasion plans", (2) President Ford's anti-discrimination statement and widespread US criticism of Arab pressure on financial institutions and the Arab boycott, (3) signs of American public resistance to Arab investment in the US, and (4) challenges to many aspects of the US-Saudi security relationship. They are even beginning to suspect USG connivance in this. A separate background paper is attached. (Tab A). You will want to read it since the details may be important for your talks with Fahd and Feisal.

You should tackle this problem head on in order to keep it from getting completely out of hand. Even should we succeed in negotiations, this Saudi perception (somewhat naive but very real) of US attitudes could undo all the good work you have accomplished bilaterally, unless it is changed:

1. You understand that there is increasing concern in Saudi Arabia over the attacks in America on Saudi Arabia and the US-Saudi relationship, in the press and Congress. The essential point the King must understand is that these are also attacks on us.

2. If these attacks are examined, in every case it is clear that the organizations and individuals who are orchestrating the current campaign against Saudi Arabia are the same ones who have been attacking you personally:

-- The attack on the Arab boycott and discrimination has been led by American Zionist organizations (ADL, AJC), Senators and Congressmen long friendly to them, and liberal newspapers and media.

-- Senators Kennedy and Humphrey are leading the attack on the sale of arms to Saudi Arabia. They are known for their strong ties to Israel; both are Democrats and critics of President Ford and yourself, and both have political ambition.



-- The continuing press fabrications about invading oil fields are the creation of a small group of intellectuals who have attacked you for your lack of support for Israel. The first one was by Robert Tucker in Commentary, a Zionist magazine which consistently opposes you. The article in Harper's, written under a pseudonym, was written by another Zionist intellectual (Edward Luttwak) with no connections with the USG, who has previously written attacks on you (e.g. in Commentary with Lagueur). It appeared in the same issue of Harper's as Safire's attack on you.

-- Congressman Waxman has given the papers distorted versions of what you told a group of freshman Congressmen on this. You have always dismissed the idea of military force as an absurd idea except in the most inconceivable circumstances.

-- There have also been attacks in the press and the Congress on Saudi investment, again stimulated by those who are close to Israel and critics of the Administration.

3. You and President Ford and the entire Administration are strongly opposed to these attacks on Saudi Arabia.

-- The Administration has testified before Congress against proposed legislation which would have imposed tight restrictions on Saudi investment and subjected it to special conditions related to matters which are the sovereign prerogatives of other governments.

-- The Administration has only last week testified against proposed new legislation aimed at American companies who comply with the boycott--arguing that we do not believe legislation is the best means to resolve this problem.

-- We believe a distinction should be drawn between disagreeing with certain policies of other governments, which we often do, and seeking to interfere in their sovereign affairs, which is not the basis on which we conduct our foreign policy.

-- There is no intention of stopping the sale of arms to our friends and allies. Deputy Secretary of Defense Clements and General Brown plan to be in Riyadh on April 5, as previously discussed with Feisal and Fahd, to see what needs to be done to further strengthen our defense relationship and accelerate the supply of arms already ordered.

4. You wish to advise King Feisal and Fahd to be patient. It has been your experience that this sort of artificially-created and sensationalized campaign can be countered and resisted. Saudi Arabia must not lose confidence in the very people in the USG who are fighting against--and are targets of--these campaigns. If Saudi Arabia turns visibly against the USG, this will only seem to vindicate the anti-Arab groups in the US; this will weaken our ability to conduct our diplomacy for a just peace as well as our effort to build US public support for US-Arab friendship.

III. BILATERAL ISSUES

1. Producer-Consumer Cooperation

-- You are delighted at the improved understanding and cooperation between us which was so evident during the visit to Riyadh by Under Secretary Robinson and the Joint Commission meetings. We are looking forward to still closer bilateral and multilateral cooperation with Saudi Arabia on economic issues.

-- In order to achieve this, you would be ready to have Robinson come to Riyadh for further consultation, either prior to or after the April 7 Producer-Consumer Preparatory Conference. Which would the Saudis prefer?

-- Do the Saudis have any suggestions for us in the light of the recently-concluded OPEC Summit in Algiers and the upcoming Producer-Consumer Preparatory Conference?

-- Minister of Finance Aba al-Khalil misunderstood your joke about high oil prices (Tab B). The U.S. favors stable oil prices at a reasonable level.



2. We are seriously concerned about the Ethiopia/Eritrean situation and want to do everything we can to get a negotiated settlement. We believe the Sudanese initiative deserves support.

-- We have agreed to a minimal sale to the Ethiopian Government of seven million dollars of ammunition, less than one fifth of what they requested. We are not delivering any new weapons. We felt obliged to do this much in order to retain some leverage, especially with arms flowing to the other side.

-- At the same time, we are strongly urging the Ethiopian Government to enter right away into negotiations without preconditions for the autonomy of Eritrea; and make it clear this is a major consideration in continuing support for Addis.

-- What specific suggestions do the Saudis have on what the two of us can do?

3. Somalia, South and North Yemen, Oman.

a. Somalia: What observations do the Saudis have on the Soviet presence in Somalia?

b. South Yemen: What is happening in South Yemen? What are the prospects for the moderates gaining the upper hand?

c. Oman:

-- We believe Oman deserves support and encouragement, but we still believe it is primarily a regional responsibility.

-- We are providing limited direct support and intend nothing more than occasional use of Massirah airbase by essentially non-combatant aircraft, in support of our fleet and for surveillance of the Soviet fleet.

-- The Sultan seems to need help in handling his finances properly.



d. North Yemen:

For Fahd: We hope for quick Saudi action on the outstanding letters of offer for weapons for North Yemen. Perhaps Fahd will want to talk to Clements and Brown about this. Is there anything else we should be doing?

4. Clements-Brown:

They will arrive in Saudi Arabia, as agreed with the King, on April 5. Their mission is to consider the entire range of Saudi military needs, expedite the delivery of arms already on order, and discuss the general area security situation.



Background Paper On Saudi Sensitivities

Upsetting Developments In The U.S.

Recent developments which have upset the Saudis considerably and appear to them as a concerted effort against them include:

-- Widespread adverse publicity in the US media on the Arab boycott and the calling of Church's Senate hearings on it to coincide with the first Saudi-US Economic Commission meeting in Washington. (Fear of hostile press led Treasury to cancel the scheduled Simon/Aba al-Khail press conference at the end of the Commission meetings, an act which at least some members of the Saudi delegation did not approve of, as it denied them a good opportunity to publicly respond to criticism.) Bingham's hearings in the House have exacerbated Saudi concern on this point.

-- Congressman Henry Waxman's getting added to a House Armed Services Committee visit to the Middle East at the last minute apparently solely to raise the question of visas for Jews, his raising it with King Faisal, and his subsequent public statements against Saudi discriminatory visa practices. The (deliberate) confusion between Saudi visa policy and the Arab boycott and discrimination generally has upset the Saudis who do not understand how these things are interrelated.

-- President Ford's remarks on February 26 against discrimination by Arab financial institutions, which led a Saudi government controlled newspaper to publish a rare editorial critical of the US, decrying "Ford's attacks against" the Arabs, and portraying him as "more involved than any other American president in maintaining and supporting Israel."

-- Finally, various invasion articles culminating in the March "Harper's" article by "Ignotus" which led the Saudi Director of Intelligence to tell us that these are part of a USG plan to soften up the American people for attempted occupation of the Arabian Peninsula.

State Dept Review
SF9/1/73 ~~SECRET~~

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10/01/03



Senator Kennedy's proposal to stop arms deliveries to the Persian Gulf is part of this strategy, he indicated, and in an extraordinarily bitter outburst, he concluded that from now on the Arabs must consider the United States as "an extension of Israel," and "Israel's tool in the Middle East."

Saudi Reactions To These Developments

-- The present publicity on boycott, discrimination, visas, and investment has led the Governor of Saudi Arabia's Central Bank (SAMA) to tell Ambassador Akins that Saudi Arabia would invest where it wanted and through whatever banks it wished. If the US did not like this, he said, then Saudi Arabia would simply go elsewhere. In 1974 SAMA bought or committed itself to buy over \$5 billion in USG or USG-backed instruments.

-- Minister Hisham Nazer, Director of Central Planning Office, told Ambassador March 12 that there was "no doubt in his mind that Secretary Kissinger was coordinating and orchestrating the talk in the United States on the necessity of invading Saudi Arabia". This was done, he said, to prepare the United States public for a new military adventure and to frighten the Saudis and other OPEC members into following American orders. The Ambassador denied this vigorously but Nazer said all the "proof" Saudi Arabia needed lay in the fact that, apart from a few statements made by the Ambassador himself, no US official had condemned the various invasion articles. Nazer said that it was clear to him that Saudi Arabia had made a mistake in trying to tie itself so closely to the United States; it should be very cautious about implementing the new economic arrangements. It would be far safer for Saudi Arabia to look to other countries for support.

-- Sulaiman Solaim, Deputy Minister of Commerce and Saudi Coordinator for Special Relationship, told Ambassador and Embassy officer March 13 that his trip to the United States February 26-28 was an eye-opener. The attacks on Saudi Arabia were vicious and prolonged and there was no attempt by the USG to counter them. It was quite clear to him, he said, that Saudi Arabia had been led down the garden path; that Saudi Arabia

would have to look to other countries for guidance and assistance. The United States Government was under strong domestic pressure to end its good relations with the Arabs. Saudi Arabia had been foolish to think the pressures could be countered by developing a new economic bilateral relationship which would have been extremely beneficial to the United States as well as to Saudi Arabia.



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FOR SECRETARY FROM AMBASSADOR

DECLASSIFIED
E.O. 12958, SEC. 3.5 *State Dept Review*
STATE DEPT. GUIDELINES *SF 9/17/03*
IR, NARA, DATE *10/02/03*

E.O. 11652: GDS
TAGS: ENRG, SA, US
SUBJECT: SAUDI MISUNDERSTANDING ON U.S. POSITION IN OIL PRICES

1. I RECENTLY READ THE ACCOUNT OF ONE OF YOUR EXCHANGES LAST MONTH WITH ABA AL-KHAIL IN WHICH YOU JOKINGLY REFERRED TO THE ADVANTAGES OF HIGHER OIL PRICES. ABA AL-KHAIL, MISSING THE POINT ENTIRELY, ASKED WHAT HE WAS TO BELIEVE: IN THE PAST THE U.S. SAID IT WANTED LOWER PRICES; NOW IT WANTED HIGHER PRICES. HIS REFERENCE MUST HAVE BEEN PAINFUL TO MOST OF THOSE PRESENT AND THE SUBJECT WAS CHANGED IMMEDIATELY.

2. I TOLD YAMANI THE STORY THIS EVENING (MARCH 18) AS AN EXAMPLE OF KNOWING A LANGUAGE REASONABLY WELL BUT NOT UNDERSTANDING ITS HUMOR.

3. YAMANI SAID ABA AL-KHAIL HAD NOT ONLY MISSED THE POINT, HE HAD INSISTED ON HIS RETURN FROM WASHINGTON THAT THE U.S. NOW FAVORED HIGHER OIL PRICES; HE HAD QUOTED THE SECRETARY OF STATE IN HIS REPORT TO THE COUNCIL OF MINISTERS. YAMANI SAID THAT HE, FAHD, AND OTHERS WHO HAD FOLLOWED THE PRICE ISSUE CLOSELY WERE TOTALLY CONFUSED BY ABA AL-KHAIL'S ACCOUNT. ALTHOUGH ABA AL-KHAIL HAS ALWAYS OPPOSED PRICE REDUCTIONS, HE IS AN HONEST MAN AND YAMANI AND FAHD COULD NOT BELIEVE THAT HE WOULD FABRICATE THE STORY OF THE CHANGE ON THE U.S. POSITION.

4. YAMANI ASKS THAT YOU, IN YOUR CONVERSATION WITH FAHD, REFER TO THIS EXCHANGE WITH ABA AL-KHAIL, POINTING OUT AS GENTLY AS POSSIBLE THAT YOU WERE OF COURSE JOKING. I EXPECT TO SEE FAHD TOMORROW MORNING AND WILL MAKE SAME POINT.

5. IT WILL BE HUMILIATING TO ABA AL-KHAIL TO BE EXPOSED AS HAVING REPORTED A JEST AS A SERIOUS PROPOSAL. BUT IT WOULD BE WORSE FOR THE SAUDIS TO THINK THAT THE U.S.G. HAS LOST INTEREST IN LOWERING OIL PRICES.

AKINS

~~SECRET~~

55-15



THE WHITE HOUSE

WASHINGTON

~~SECRET/NODIS/XGDS~~

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

Ahmed Zaki Yamani, Minister of Petroleum and Mineral Wealth, Saudi Arabia
 Muhammad Ibrahim Mas'ud, Minister of State for Foreign Affairs (Acting)
 Ambassador Dabbagh, Aide to Minister Mas'ud (second half)

Dr. Henry A. Kissinger, Secretary of State and Assistant to the President for National Security Affairs

Ambassador James E. Akins, U.S. Ambassador to Saudi Arabia

Alfred L. Atherton, Jr., Assistant Secretary of State for Near Eastern and South Asian Affairs

Isa K. Sabbagh, Special Assistant to Ambassador Akins (second half)

Peter W. Rodman, NSC Staff *7/1/72*

DATE AND TIME:

Wednesday, March 19, 1975
 2:25 - 2:55 p.m.

PLACE:

The Guest Palace
 Riyadh

DECLASSIFIED
 E.O. 12958, SEC. 3.5
 NSC MEMO, 11/24/90, STATE DEPT. GUIDELINES
 BY HJR, NARA, DATE 10/02/03

Yamani: So, there will be a meeting [of consumers and producers].

Kissinger: We haven't formally accepted yet.

Yamani: There was a problem with the list of countries we had.

Kissinger: We instructed our people to accept your list.

Yamani: There was a problem in Algiers. Anyway, now there is full acceptance by almost everybody.

CLASSIFIED BY HENRY A. KISSINGER
 EXEMPT FROM GENERAL DECLASSIFICATION
 SCHEDULE OF EXECUTIVE ORDER 11652
 EXEMPTION CATEGORY 5 (B) (1, 3)
 AUTOMATICALLY DECLASSIFIED ON Imp. to Det.

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There are two items for that earlier meeting in Paris: One is to set the agenda, and the second deals with the composition of the main conference. With the agenda, I don't see any problem, because you and the French and the Japanese and developed nations group agree on the main items. The issue is priority -- whether we can solve it simultaneously or not. Some OPEC members think it can be done.

Kissinger: To settle everything simultaneously.

Yamani: Yes. The composition of the main conference might be a problem. It won't be the ten; it will be more.

Kissinger: How many do you think?

Yamani: I think more than 20. The French have some views. Everyone is so ambitious to be there. Especially Africa and Asia. If everyone tries to go there, it will be a curse, like the United Nations.

Kissinger: Yes. You should have Idi Amin there.

Yamani: Did you see the film?

Kissinger: I will see it. I am told he mentions me, that I'm afraid of him.

Yamani: The problem is to fix the number -- a number more than 20 -- and how to select the number. It should be easy if you deal with OPEC and the industrial nations, but I don't know how you can choose the developing countries. My idea is to ask every group to select, and give a deadline. If not, they should meet in Paris and select.

Kissinger: Our problem, frankly, is we are debating internally in our government whether to ask for equality with the producers and the developing countries. If each group has the same number, our view is that the developing countries will join with the producers.

Yamani: There won't be a vote, will there?

Kissinger: No.

Yamani: So there won't be a vote. Maybe we can invite some like Canada.

Kissinger: All the Europeans won't come; they will be represented by the Community. At the preparatory meeting, we will have a spokesman of the European Community at the table, with nine people sitting behind him to see that he doesn't get out of line.

Yamani: We have the same problem. Kuwait wants to keep an eye on Saudi Arabia.

You mentioned groups. Is it a bilateral conference, between the developed and the developing? Or is it a trilateral conference, between the developing, the producers, and the developed? We don't think it makes a difference. If oil is the issue, then we can't hide our view -- we talk as OPEC. If we talk of raw materials, we're a developing nation. If it's about the transfer of technology, then it is the same. So it depends. This is a fact.

There is nothing new, on top of what I discussed with your assistant [Robinson] after you left. We will cooperate.

Kissinger: Good, very good.

Yamani: We should have as much coordination as possible.

Kissinger: Should Robinson come here after the preparatory conference?

Yamani: I won't be here; I'll be in the States.

Kissinger: Then you can see him there.

Did you consider what we discussed here -- a longer-term supply at a lower price?

Yamani: Did we discuss that?

Kissinger: Just as an idea.

Akins: It was raised by the Secretary, and by Robinson at greater length.

Yamani: When you discuss supply, there will be related items -- what to do with the money, what to do when the oil is depleted. We will discuss these things at the Conference.

Kissinger: You are not depleting it fast enough!

Yamani: No. The oil is there.

Kissinger: We can have a more detailed discussion.

Yamani: We should sit and discuss it more thoroughly.



Kissinger: Definitely.

[At 2:38 p.m., the Secretary escorts Minister Yamani to the door. The Secretary returns to continue the conversation with Minister Mas'ud. Mr. Atherton and Mr. Sabbagh join, and Ambassador Dabbagh on the Saudi side.]

Kissinger: Isa [Sabbagh] is the real negotiator.

Mas'ud: Does he go to Egypt with you?

Kissinger: No, Sadat speaks English. Asad pretends not to. I'm fond of President Asad.

Mas'ud: I've met Khaddam several times.

Kissinger: He's in Cuba. You're not there?

Mas'ud: We don't deal with Communists! We boycott them, as you did with Cuba.

Kissinger: The boycott issue I will discuss with His Majesty. It is a concerted campaign.

Mas'ud: Just as you do with Cuba, there is a boycott of the Arab League. We don't understand why there is such a shadow -- it's something that's been going on for many years.

Kissinger: It's a very deliberate campaign.

Mas'ud: We received your telegram about seeing His Majesty last Sunday.

Kissinger: We understand. The day came open and we just wanted the earliest opportunity to see His Majesty.

Mas'ud: It was Sunday; we thought it was a day off for you. [Laughter]

Kissinger: I never take a day off.

Mas'ud: We saw a photograph of Mr. Sisco coming out of the swimming pool at Aswan.

There was one point in your telegram, asking about the time limit you mentioned, which was not clear?



Kissinger: What time limit?

Mas'ud: Either the timing or the time limit of the negotiation you are doing. What is the element of the timing? Your telegram said that "to advance the negotiations we have to take into consideration the timing."

Kissinger: As I told President Asad, I don't believe it is possible to conclude both of these negotiations simultaneously, but I do believe we're making considerable progress in Israel on a readiness to negotiate between Israel and Syria. I had a very good talk with President Asad on the principles of a negotiation and how the United States could help in it, that I thought was more satisfactory than any previous conversation.

Sabbagh: Mr. Secretary, the Minister asked, while you were out, if any line had been proposed. I said no.

Kissinger: No.

Mas'ud: I read there were eight or nine items under discussion.

Kissinger: No, that refers to the eight or nine items demanded by Israel, that was on American TV or radio.

Mas'ud: Yes.

Kissinger: In the context of nonbelligerency, which Egypt has consistently opposed.

Mas'ud: What is the general atmosphere?

Kissinger: The general atmosphere is that Israel has consistently made political demands which Egypt has always opposed.

Mas'ud: Political demands?

Kissinger: Like nonbelligerency.

Mas'ud: Limited to any period of years? Five years?

Kissinger: No. But the Egyptians didn't agree to it anyway.

Mas'ud: We read that after they rejected it, Israel proposed five years.

Kissinger: They never proposed it.

Mas'ud: The same time limit with Syria?

Kissinger: The Syrian and Egyptian problems are different. On the Syrian side, you can either have a move that is so small to be meaningless, or you have to move Israeli settlements. That is tantamount to the whole thing; it's the biggest decision they have to make. With Syria, it will be very complex and will probably have to be in the context of negotiation on the final borders. Unlike the Sinai, where they are still deep in Egyptian territory.

Mas'ud: You have not yet come to any result with Egypt and Israel? But you expected to have a success on this trip?

Kissinger: That is correct. But it took 30 days with Syria, so it has become a point of honor for everyone to do no less!

Sabbagh: Mr. Secretary, you are the first Secretary of State to be posted in the Middle East.

Mas'ud: You said you wouldn't leave the area without an agreement, so you will be here.

Kissinger: As long as I can stop by here and use this palace from time to time. It is bigger than the house I live in in Washington!

Mas'ud: You are welcome.

Akins: The camel races will start Thursday.

Mas'ud: It was really a stormy meeting in Algiers. I was there with Zaki. Particularly with the Libyans.

[Meeting ended at 2:55 p.m.]



THE WHITE HOUSE

WASHINGTON

March 19, 1975

INFORMATION

~~SECRET/SENSITIVE~~
EXCLUSIVELY EYES ONLY

MEMORANDUM FOR: THE PRESIDENT
FROM: BRENT SCOWCROFT

BR

Secretary Kissinger asked me to pass the following message to you:

"I have just completed a useful five hours of discussion in Saudi Arabia with King Faisal, Prince Fahd, Yamani, and Acting Foreign Minister Mas'ud. It is clear that the Saudis continue to attach utmost importance to the close relationship with us and they are hoping upon hope that my current mission to achieve an Egyptian-Israeli Agreement will succeed.

"In giving Faisal a picture of where matters currently stand between Egypt and Israel, I made clear that the result at this point is uncertain; that if it should not prove possible to continue the step-by-step approach, we would intend to move to the broader approach of an overall settlement. In short, if we were to have a setback at this point, it would not mean the end to US involvement in the Middle East. It was important to give this kind of assurances.

"Faisal has been particularly concerned about the Syrian aspect of the Arab-Israeli dispute and has been strong in expressing his view that there cannot be a separate Egyptian agreement without progress on the Syrian front. I reported on my talks with Asad and Rabin regarding this aspect of the problem. I told him I had informed Asad of US willingness to undertake an effort, perhaps before implementation of any Egyptian-Israeli agreement took place, to help achieve practical progress towards peace between Israel and Syria.

"In many respects, the most useful conversation I had was with Prince Fahd,

~~SECRET/SENSITIVE~~
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E.O. 12958, SEC. 3.5

100 MEMO, 11/24/00, STATE DEPT. GUIDELINES

HR 10/02/03



the heir apparent. He is a strong, articulate man -- a no nonsense man -- who described for me the active Saudi diplomacy being pursued in this part of the world. He said that in response to overtures from the Iraqi leadership, he is going there to see whether he can wean them away from the Soviet Union. I indicated that he could say on behalf of the United States that if Iraq indeed moved away from the Soviet Union there would be no obstacles to the establishment of relations between us. I underscored as well that we would follow the Saudi lead with respect to our relations with Iraq.

"Fahd said he would be going to Iran to discuss ways in which Iranian/Saudi Arabian cooperation could be enhanced; he described efforts to wean South Yemen away from the Soviets; he also reaffirmed Saudi support for the Sultan of Oman in order to put an end to the Dhofar Rebellion.

"Most of the ministers urged me to make a statement on the use of force question due to renewed interest arising from the recent Harper's article saying OPEC should be broken by military force. In view of the importance that both the King and Prince Fahd attach to this, I said at the airport that the relationship between the US and Saudi Arabia was based on friendship and cooperation, and threats have no role in this relationship."





Gerald R. Ford Presidential Library and Museum

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