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NUCLEAR COOPERATIVE AGREEMENT

Q: What about Israel? Will they object to this arrangement?

A: Israel has been assured of our readiness to conclude a comparable agreement with them. It's my understanding that they see no objection to the sort of agreement we have in mind with Egypt, and that they are definitely interested in a similar arrangement which will allow Israel to take advantage of nuclear power.

Q: We understand this reactor sale may involve as much as \$1.2 billion. How will the Egyptians pay for this?

A: There are a number of potential sources of financing which could be considered, and this matter has not yet been worked out with the Egyptians. However, there is no intention to increase the amount of the AID request which I recently sent to the Congress to accommodate this project.

MIDDLE EAST - NUCLEAR ASSISTANCE

Q: In light of concern about nuclear non-proliferation and Arab oil supplies, how do you explain our willingness to supply nuclear technology and materials to a volatile area such as the Middle East, including Egypt and Israel?

A: It is our belief that nuclear power, no less than conventional technology, can make an important contribution to economic progress in the area and thereby contribute to stability. Our proposals to cooperate with Egypt and Israel in the field of nuclear power include strict safeguards designed to prevent the misuse of U. S. -supplied assistance.

I can assure you that the United States opposes nuclear proliferation and is determined that our cooperation in the supply of nuclear power should not be diverted to any unintended uses.

Middle East -- Congressional Consultation  
Senate 76 Letters

**Q:** The fact that 76 Senators wrote you just prior to your meeting with Sadat suggests strong Congressional interest in the outcome of the reassessment to reflect strong US support for Israel. Will you be briefing the Hill on your talks with Sadat as well as with Rabin and will you be consulting closely with Congress before any final decisions are made as a result of the reassessment?

**A:** Following the suspension of the negotiations in March, I, Secretary Kissinger and other high-level officials have regularly briefed Congress and have sought their views. Similarly, I briefed the Congressional leadership on my European trip, including the talks with President Sadat, shortly after I returned from my trip. Secretary Kissinger plans more meetings with Congress. These exchanges of view with Congress are very important and they will continue.

Throughout the reassessment, I have welcomed suggestions from a wide range of private and official Americans with informed views on the Middle East including, of course, Members of Congress. We have also discussed the matter with officials from other nations. We are giving due consideration to all available information as our reassessment proceeds.

## NEXT STEPS IN THE MIDDLE EAST

Q: Does the President feel that any diplomatic movement can take place before the November elections? Isn't the Israeli strategy to sit tight as long as possible and assure no progress until next year?

A: The President remains determined that progress be made at the earliest possible time so that we can maintain the momentum of the negotiations. This is an on-going process and we will continue our consultations with all parties to see how this can best be achieved. There is no intention of ceasing our peace-keeping efforts.

While we cannot speak for another government, it is our impression that Israel remains committed to the peace efforts. One of the main purposes of these talks is to discuss how practical progress can best be made.

Q: Did the President and Prime Minister reach any specific conclusions? Is some new proposal on negotiations to be made? Did they agree on reconvening the Geneva Conference? (In Answer to all such questions on the substance of ways to proceed on negotiations.)

A: I cannot get into the details of the talks. They have just begun and will continue tomorrow. I cannot give you any conclusions. These talks are part of overall explorations we are having with all the parties on how best to proceed in the peace process, and that process is served best through the channels of quiet diplomacy.

Security Council Debate

Q: Does the US expect something from Israel in return for our veto at the Security Council last evening?

A: Our vote at the UN Security Council was a reflection of our consistent policy through the peacekeeping process --we vetoed the resolution because we believed that with this resolution the Council would have blocked the surer and tested way to a settlement in favor of one that would not have worked. Ambassador Moynihan's statements and a State Department release last evening put our vote in full perspective.

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LEBANON

Q: Did Lebanon come up? What does the President think of reports that Rabin believes Lebanon is becoming an extension of Syria? Did the President caution Rabin against Israeli intervention?

A: In their general discussion of regional events, it is natural that the situation in Lebanon would be discussed but I am not going to get into the details of their talks. The US position on Lebanon has been clearly stated on the record.

## The Palestine Issue

Q: If there is no movement by Israel towards the PLO or towards progress on the Palestinian issue, will the US undertake contacts of its own with the PLO?

A: Let me repeat our position on this: As long as the PLO does not recognize Israel's right to exist or accept resolutions 242 and 338 as the basis for negotiations, the US cannot support the participation of the PLO in the negotiating process nor would we recognize the PLO or negotiate with it.

On the Palestinian issue in general, we have long made clear that there will be no permanent peace unless it includes arrangements that take into account the legitimate interests of the Palestinian people.

But this is a matter to be negotiated among the parties involved and I will not comment further.

Q: The US is becoming increasingly isolated at the UN on the Palestinian issue and the PLO. Did the President discuss the Palestinian issue with Rabin?

A: In the context of an exchange of views on the Middle East situation it is natural that all issues, including the Palestinian issue, would arise. But I am not going to get into the details of their discussions.

Aid, con't.

Q: Besides the \$1 billion in FMS credits for Israel in FY-77, did the President tell Rabin what else we would be providing in our overall assistance package for Israel for that fiscal year? How much is the total amount?

A: The Israeli Government has already been informed of what will be in the total request soon to be submitted to Congress. I am not going to get into a detailed discussion of our aid figures for Israel, beyond the \$1 billion in FMS which is already in the public realm. The main point is that we believe our package will be fully adequate.

Q: What will be our aid levels for Arab states for FY-77?

A: You will know these when our aid presentations are made to Congress. I am not going to get into this at this time.

Aid to Israel

Q: Did they discuss the \$1 billion military aid figure put in the President's new budget? Did Rabin complain about the amount and the way it was published? Did the President promise to raise the figure, or, at least, to review it?

A: They discussed both Israeli future needs and the President's plans to submit soon a detailed foreign assistance program--including Israel--to Congress for FY 1977. In this context, the \$1 billion figure in FMS, not total assistance, arose.

I cannot tell you the results of those discussions, but I can assure you that our foreign assistance program for Israel will continue to be very substantial. Next year's request was arrived at after very careful consideration of the security needs of Israel and our own economic situation. We believe that our overall aid package is fully adequate to insure Israel's ability to meet its security requirements in the future.

~~The President and Secretary Kissinger reviewed with the  
Bipartisan Leaders this morning the situation in the Middle East  
and, <sup>the</sup> of course, of our negotiating efforts there.~~ (The President  
informed the Leaders that, as the result of the situation in which  
we now find ourselves, he has ordered a reassessment of the  
United States' policy toward the Middle East in all its aspects and  
toward all countries of the area. He told the Leaders that he would  
stay in touch with them as the policy review proceeded.

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Question: Does this mean that aid to Israel will be cut off?

Answer: Not at all. The question of aid, as with all other  
individual aspects of U.S. policy, will be reviewed in relation to  
overall U.S. objectives in the area.

Question: Who is to blame?

Answer: We are not trying to assess blame. We are reassessing  
our policy in light of developments in the area and the fact that progress  
along the lines we had been pursuing no longer seems possible.

Q = How long it take?

A =



### Secretary Kissinger's Return

Q: Have settlement talks been completely suspended? Will they continue through diplomatic channels? Will Dr. Kissinger go to the area again?

A: As the statement released in Jerusalem yesterday notes, a period of reassessment is needed to determine where matters might proceed. It is not now possible to say which direction they will take, or how future efforts will be conducted. We remain in contact with the parties to the discussions, and are determined to continue our efforts toward a settlement.

Q: What is the likelihood of the talks moving to Geneva? Have we contacted the Soviets?

A: It is too early to preclude how we shall proceed. If a reconvening of the Geneva Conference appeared to be the best alternative, we would discuss this with the Soviet Union, as co-chairman, as a matter of course.

Q: Who is responsible for the deadlock of the talks? What issues were irreconcilable?

A: Both sides made serious efforts to reach agreement. Beyond that, it is not possible to go into the details of the settlement discussions. Secretary Kissinger will wish to report in full to the President on his return.

Q: Will Congress be consulted on our next steps?

A: The members of both Houses were informed of the suspension of the Secretary's efforts yesterday, and he will certainly wish to inform Congress of the details of his efforts and his thinking on where we might proceed. We want to remain in close touch with Congress on our future

policies.

Q: Will the U.S. reassess its position toward either of the parties or the result of the deadlock?

A: The U.S. position remains to help all parties toward a just and desirable settlement. We wish to continue our close cooperation with all sides and hope that all parties will be working on ways to resolve the problems in the Middle East on terms acceptable to all of them.

Q: Can you confirm that there has been an increase in the state of military readiness in the area?

A: We have seen some press reports of increased readiness, but I would not want to comment on them. Our expectations is that the parties are serious in their commitments to seeking a peaceful resolution of the situation.

Q: What is the likelihood of a war or another oil boycott?

A: Highly unlikely, I would hope. There is still much work to be done in the area of diplomacy. We intend to continue our efforts toward a durable and just settlement.

Q: Can you confirm reports from Jerusalem about a letter by President Ford blaming Israel for a breakdown of the talks and warning of a re-examination of the U.S. policy toward Israel?

A: I would rather not comment on any reports of private communications between the President and leaders of other states. The U.S. position remains to help all parties toward a just and durable settlement. We

would hope that all parties would take this time for reassessment of the possible ways to move toward mutually acceptable terms for a lasting settlement.

MIDDLE EAST -- THE PALESTINIANS

Q: How does the US expect further progress towards an overall settlement when no attention is being given to the Palestinian problem? When are they going to be brought into the process? Aren't you afraid of Arab radical reaction, possibly aided by the Soviets to jeopardize the peace process as long as the US continues to ignore the Palestinians?

A: Our policy remains that any final settlement must take into account the legitimate interests of the Palestinians. ~~The issue of the Palestinian Liberation Organization role in the negotiations would seem academic as long as the PLO does not recognize Israel's right to exist.~~

Q- What are the legitimate interests

A- Subject of negotiation.

- 0 -  
are party regarding ~~subject~~  
PLO has been stated many times  
and is well known.



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MIDDLE EAST

Q. Has President Sadat's visit to the United States been cancelled?

A. We do not anticipate a visit by President Sadat in the near future. Of course, we would be responsive to any interest expressed on his part for a visit to the United States.

FYI ONLY: If pressed, you may add that a visit was never locked in or finalized on either side.

## GUIDANCE UPDATE

1. The airlift to Cambodia has been resumed.
2. Guidance on Thailand remains the same, despite conflicting press reports on whether Thais will permit us to continue the airlift.
3. Guidance on Portugal remains the same. We have had no indication that the Portugal position on NATO has changed. Continue to refer to State for details.

MIDDLE EAST

Q. Now that the talks have been suspended, will reassessment include another look at the U. S. position toward the PLO?

A. There has been no fundamental reassessment of our position toward the PLO and there has been no diplomatic contact with them.

As we have stated before, we continue to believe that an eventual overall Middle East peace settlement must pay due attention to the legitimate interests of the Palestinian people. However, the solution to the Palestinian problem is a matter for the parties to decide in the negotiations. How the Palestinian issue is addressed in the negotiations must also be decided by the parties. As far as negotiations between the PLO and Israel, or so-called US recognition of the PLO, that issue is really academic since the PLO does not recognize Israel's right to exist.

ARMS SUPPLY TO MIDDLE EAST

Q: B. Gwertzman reports today in the New York Times that although President Sadat will probably bring a shopping list to Washington for American military equipment, the U.S. has assured Israel it will not sell arms to Egypt for at least a year. Is this story true?

A: I believe we have stated before that requests for military assistance to Israel are under review, and Secretary of State Kissinger said Sunday on Meet the Press that we are prepared to discuss military aid in general terms with the Egyptians but we are not prepared at this time to make any specific commitments. Beyond that we would not comment on any reported exchanges or consultations between heads of government.

## MIDDLE EAST AID REQUESTS

Q: You plan to ask the Congress for more than \$3 billion in assistance, both economic and military, for the Middle East, including Egypt and Israel. How can you expect the American taxpayer to finance this when the US economy is still weak?

A: I want to make it clear that aid for Israel reflects our long-standing commitment to its security and survival. Our aid requests for certain Arab states, including Egypt, reflect our interest in their plans to improve their economic situation and their efforts to promote peace and stability in the area. Thus our Middle East aid package is an integral part of our effort to assist peace and moderation in the Middle East. I think most Americans will agree that the price is not too great to pay, since the outbreak of war could have the gravest political and economic consequences for all of us.

Q: What would be the President's reaction if the resolution passed in the General Assembly?

A: Well, that has not happened yet, and I would not want to speculate on U.S. reaction.

Q: Why is the President making this statement at this time?

A: The statement speaks for itself on this point.

Q: What impact would a resolution of this type have on the Middle East?

A: Our policy in the Middle East continues to be one of assisting the parties in the active pursuit of a just and desirable settlement. This is our basic and fundamental posture toward the Middle East and would not be changed by such a vote.

Q: Would such a resolution impede process toward a settlement?

A: Once again, the resolution has not passed and I do not care to speculate.

Q: I understand there is some talk of postponing the resolution until 1976. What are the chances of that happening?

A: ~~I have heard the reports you speak of but~~ I would refer you to the State Department for further information.

Q: What will be the impact of the President's statement on the Sadat visit?

A: Both the President and the Secretary will be discussing with

President Sadat the broad relations existing between our countries and will focus on further steps to reach a Middle East peace.

Q: Will they discuss the resolution?

A: I don't know. ~~There is no agenda for the meeting.~~

Q: Does the President support the resolutions that have been proposed in the Congress?

A: The President's statement speaks for itself.

SCHLESINGER ON THE PERSHING

Q: The Baltimore Sun reports today that Secretary Schlesinger has commented on the attitude of the Europeans toward Pershings for Israel saying that he thinks there is a "predilection in Europe that the introduction of this weapons system to the Middle East would not serve at this time the purposes of stability." Is this more evidence of Schlesinger's disagreement on the Pershing deal? Has the President received indications from European leaders that they do not favor the Pershings for Israel?

A: The President has stated repeatedly that no commitments on the Pershing have been made; the matter is under study. As far as evidence of disagreement in his Cabinet is concerned, the President addressed that question yesterday in Omaha and I have nothing further to add to his remarks.

Marquis Childs

## Rabin: No Miracles

JERUSALEM — Prime Minister Yitzhak Rabin brought back from his talks in Washington with President Ford and Secretary Kissinger a view of the future that can be summed up in two words: caution and time.

No miracles, no shuttle diplomacy, he says, just a quiet exploration through diplomatic channels of the prospects for a further disengagement agreement with Egypt and perhaps later with Syria.

In his understated style, contrasting with the tension and emotion that many here feel in this interval of no war, no peace, Rabin spoke with quiet optimism of what can come out of the ongoing exploration. It will be weeks and even several months before results can be expected.

For sheer stamina, this former general who was the architect of Israel's triumph in the Six Day War of 1967 gets high marks. Returning from six days in America, crowded hour by hour, he went into a seven-hour cabinet meeting taken up not only with the results of his Washington talks, but with the latest devaluation of the Israeli pound.

Governing with a narrow coalition in the Knesset, Rabin's position is in some respects analogous to that of Ford. His options are limited by the divisions in his own party.

Rabin sees three elements essential to any further disengagement. First is the duration of a future agreement. Although he will not specify a fixed time since this will be one of the most fiercely debated points, others in his government talk of three to four years.

The second point is the arrangement of mutual warning systems. Israel maintains an electronic early-warning system near the Mitla and Gidi Passes. Egypt would establish a similar system so that any forward movement in either direction would be detected in the event Israel agrees to withdraw from the passes.

As a third point, Rabin spoke of symbolic signals indicating Cairo's desire for peace. One signal would be the easing of the boycott against American firms doing business with Israel, such as Ford and Coca Cola. Easing the campaign against Israel in the third world is another signal as, most important of all, would be the right of Israeli cargoes to pass through the Suez

"Jordan was promised arms during this period while we were being told that there could be no movement until the reassessment had been completed."



By George Rubb for The Washington Post

Canal.

All this means that both sides must be forthcoming and neither side can dictate the duration of an agreement. An Egyptian declaration of non-belligerency was not the reason for the breakdown of last March, Rabin said. Non-recourse to the use of force is essential for any agreement.

Military aid had not been an issue in Washington, Rabin said.

He spoke sadly of the delay in translating commitments for American arms into contracts because of the Ford-Kissinger Middle East reassessment. But that delay did not apply to other states. "Jordan was promised arms during this period while we were being told that there could be no movement until the reassessment had been completed."

The prime minister spoke in the same melancholy vein, punctuated by his shy ironic smile, of the vast arms sales by the West to the Arab states. The latest is a \$100 million sale by Britain to Egypt. U.S. sales to Saudi Arabia of complex modern weaponry will run into hundreds of millions. Brother Arabs are giving Egypt very large sums for arms, but little or nothing in economic aid.

If only President Anwar Sadat could turn to solving his country's serious

economic problems, he might not be so interested in Israel. The Shah has been more than generous in economic aid.

Israel is asking the United States for \$2.50 billion, most of it in military aid. Defense Minister Shimon Peres believes the total finally forthcoming will be \$1.7 billion.

Rabin said he was told in Washington no positive moves on the Middle East could be expected from the United States until the summit after the European Security Conference in the late summer. Now he has heard that the summit has been postponed.

Given the tensions and the jungle of armaments throughout the region, the seems a long time to wait. But patience is the prime minister's long suit. "After all," he says, "we have been seeking a secure and peaceable way of life for 27 years" since the creation of the state of Israel.

The quiet of the prime minister's office relieves the pressures that bed down so hard throughout the Middle East, with a concentration here in the small besieged nation. Whether even will stand still for the weeks or months that a new compromise agreement will take is a large question mark.

KISSINGER TESTIFIES ON THE HILL

Q: Secretary Kissinger testified this morning in executive session on the Sinai agreement and on the preconditions for releasing material related to it. Can you tell us anything about what he said and what the Administration's views on the disclosure of the disputed material is?

A: I think you should check with State on the Secretary's testimony for this morning. As the President's views, he is concerned about further delay in approving the proposal for the U.S. technicians. He has as you know sent a letter to Congress to this effect. He feels that the Administration has made an unprecedented effort to inform the Congress of all aspects of the agreement and appropriate committees have all the relevant documents. He will continue to work with the Committees to make as much as possible public within the requirements of confidentiality in dealing with other governments.

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## SINAI TECHNICIANS AND PLANS FOR STATIONING

Q: The Washington Post today sets forth the guidelines to be followed in developing plans for stationing U.S. technicians in the Sinai. Can you tell us how far along the planning and implementation for the stationing is at this time? What about recruitment of technicians?

A: I can tell you that there is an office at the Department of State that can answer your questions about recruitment of volunteers to assist in the Sinai: Mr. Walter Smith can be reached at 632-2686.

As for the planning and implementation of procedures governing the management of the early warning stations and provisions for operating them, all decisions relating to these issues are still being formulated. At this stage, therefore, it would be premature to suggest what might be done.

### FYI ONLY

The studies relating to decisions on implementing the American role in the Sinai are still being reviewed and in some cases reworked. The fact is, there are no conclusive answers at this time to questions on who will receive what contracts and how the resources necessary for the management and operation of the stations will be allocated.

RN

If the question comes up about the release of the Sinai documents by the Senate Foreign Relations Committee, as contrasted with our position re the Pike Committee, you can say the Sinai material was released over our strong objections. ~~XXXXXXXXXXXXXXXXXXXX~~

(Scowcroft is the source of this info, FYI)

JWH

REACTION TO MIDDLE EAST SETTLEMENT

House Leadership

Speaker Albert -- Non-committal but leaning positive.

Majority Leader O'Neill -- Generally positive but has many questions and indicated he would reserve judgment until more fully briefed. Said he has already been contacted by the Jewish lobby which seemed ok on the technician question but expressed concern about how the City of Jerusalem was to be protected.

McFall -- ~~No contact yet.~~ *Reserving judgment.*

John Rhodes -- Receptive but non-committal.

Bob Michel -- No contact yet.

Phil Burton -- Wants to help but non-committal until he receives fuller briefing.

John Anderson -- Expects trouble on the technician question.

David Satterfield -- OK

Joe Waggoner -- OK but interested in the cost of the technician project.

George Mahon -- OK

Broomfield -- No problems with the technicians but greatly concerned about the monetary costs.

Senate Leadership

Eastland -- OK

Mansfield -- Serious problems with the technician feature.

Scott -- Non-committal and nervous about the technician feature.

Moss -- OK

## Senate Leadership Continued

Stennis -- Scowcroft contacted and Stennis receptive but adamant on military personnel not being used as technicians.

McClellan -- OK

Sparkman -- Will do all he can to be helpful and feels the administration must emphasize the clearly technical nature of the civilians.

## Other Contacts

Percy -- Very supportive, concerned about the monetary costs.

Pell -- Believes any questions can be worked out within the Committee.

Buchanan -- Very happy. Will do all he can to support the agreement.

Bingham -- Very supportive.

Fraser -- Thought the agreement was an excellent one.

Church -- His only concern is what will happen to the technicians if war broke out.

Javits -- Very supportive.

Zablocki -- Given the alternatives, he thinks the agreement is ok and will make no comment until he is fully briefed.

Rosenthal -- Unhappy about the technicians, but will support the agreement.

Findley -- In total support of the agreement, but is concerned that the Israelies will feel no need to make further progress toward peace.

Hays -- Fully supportive, said agreement was a brilliant achievement.

MIDDLE EAST - ISRAELI AID

Q: There have been reports that in the aftermath of the Rabat Arab Summit Conference you ordered an acceleration of military assistance to Israel. Does this mean you have agreed to Prime Minister Rabin's request for \$1.5 billion a year in military assistance? In light of the Arab subsidies, do you still support the proposed economic aid to the Middle East?

A: Military assistance is only one aspect of the long-standing close U.S. -Israeli relationship and is an expression of our commitment to the security and well-being of the State of Israel. Israel's security is essential to achieving a just and lasting peace in the Middle East and I assured the Prime Minister that our military supply relationship will continue and that we will not bargain with the security of our friends.

I strongly support the proposed legislation authorizing the extension of economic assistance to several countries in the Middle East, including Israel and Egypt. We consider the Middle East assistance package an essential element in our policy to insure that the people of the area return to a normal civilian life and continue their movement toward a durable peace settlement. I intend to continue to work with the Congress in an effort to achieve an acceptable Foreign Assistance Bill including Middle East assistance by the end of this year.

## MIDDLE EAST NEGOTIATIONS

Q. Mr. President, can you give us your assessment on the prospects of new progress in the Middle East negotiations during Secretary Kissinger's next trip. Do you believe that the gap between Egypt's demands for substantial withdrawal on the Sinai and Israel's demands for political concessions can be bridged? How will progress on the Egyptian/Israeli front relate to progress on the Syrian fronts?

A. We remain fully committed to a step-by-step effort toward an overall settlement in the Middle East. There must be movement soon between Israel and the Arabs, building upon the successfully concluded disengagement agreements if there is to be no increase in the chances of war. I do not believe that any of the parties wants to abandon peace efforts, and I believe they recognize the tragic consequences for the whole world of another war. Secretary Kissinger's trip should be viewed in the context of exploring personally with parties ways further progress can be achieved.

I believe the interests of the sides can be reconciled and an overall peace on all fronts can be achieved. But in the current complex, sensitive situation I am not going to get into the substance of delicate negotiations.

FYI: Any comment on specifics--such as oil fields and passes--should be avoided because it will unleash a flood of leaks from Cairo and Jerusalem.

MILITARY SUPPLY TO THE MIDDLE EAST

Q: Mr. President, how can the U.S. expect to avoid war when we are selling such things as the Lance missile -- with its nuclear capable warhead -- and we also have large arms programs with the Gulf states and particularly Iran?

A: I will not discuss the specifics of our military sales relationships in public since this involves the security of the states in question.

In general, we have long had a policy of helping to maintain a strategic balance which we consider essential to the process of building a stable peace in the area. I want to make clear, however, that we are not selling and do not intend to sell nuclear weapons to anyone. We are absolutely and unequivocally opposed to the proliferation of nuclear weapons and nuclear weapons-related technology.

In the particular case of the Gulf, our arms policy is determined on the basis of our assessment of the security needs of our friends in the area and our concern for their security. These states have a legitimate need to assure their own security and to ensure stability in the Gulf region. Our assistance programs have been aimed at helping our friends meet those security needs. It is in our own interest to do so.

## PROSPECTS FOR PEACE

Q: What are the prospects for our Middle East peace efforts? Have the chances of war increased? When will the Geneva Conference reconvene?

A: We plan to continue our efforts and hope they will produce further progress. To this end, Israeli Foreign Minister Allon is due to arrive in Washington soon for talks with US officials to further explore the possibilities of further steps toward peace in the Middle East. I have no reason to believe any of the parties have decided to abandon the search for a peaceful settlement. Regarding Geneva, I discussed this matter with Soviet leaders during my trip to Vladivostok. We agreed that the Geneva Conference should play an important part in the search for peace in the Middle East, and that it should resume its work as soon as the concerned parties believe it possible.

MIDDLE EAST NEGOTIATIONS - SOVIET ROLE

Q: Mr. President, how will the US respond to Soviet pressures for an immediate convening of the Geneva Conference and for a role in next steps in the negotiations?

A: We share with the Soviets the objective of an overall peace settlement in the Middle East. This is implicit in the fact that we share with the Soviet Union a role as Co-Chairman of the Geneva Peace Conference. We are not trying to exclude them and we do not envisage any final settlement which does exclude them.

The issue is how is progress best achieved. The parties at present look towards further progress on a step-by-step basis. So we have a responsibility to continue. At the same time we have also indicated that we are ready for Geneva to resume when the parties deem it appropriate.

As the situation evolves, we will make our judgement on the basis of how progress can best be achieved.

[FYI: We wish to avoid responding to the Soviet-Syrian joint statement demand -- issued at the conclusion of Gromyko's recent visit to Syria -- that Geneva be resumed by March 1. The Egyptian support for convening Geneva -- stated in the Joint Statement issued at the end of Gromyko's trip there -- was more form than substance. We also wish to avoid the issue of what the Soviet role in Geneva working groups might be.]

MILITARY SUPPLY TO THE MIDDLE EAST

Q: Mr. President, how can the U.S. expect to avoid war when we are selling such things as the Lance missile -- with its nuclear capable warhead -- and we also have large arms programs with the Gulf states and particularly Iran?

A: I will not discuss the specifics of our military sales relationships in public since this involves the security of the states in question.

In general, we have long had a policy of helping to maintain a strategic balance between Israel and the Arabs which we consider essential to the process of building a stable peace in the area. I want to make clear, however, that we are not selling and do not intend to sell nuclear weapons to anyone. We are absolutely and unequivocally opposed to the proliferation of nuclear weapons and nuclear weapons-related technology.

In the case of the Gulf, our arms policy is determined on the basis of our assessment of the security needs of our friends in the area and our concern for their security. These states have a legitimate need to assure their own security and to ensure stability in the Gulf region. Our assistance programs have been aimed at helping our friends meet those security needs. It is in our own interest to do so.

MIDDLE EAST NEGOTIATIONS -- THE PALESTINIANS AND PLO

Q: Mr. President, since Senator Percy's trip to the Middle East he has been talking about the need for a Palestinian state. How do you feel about an independent Palestinian state and about a Palestinian role in the negotiations?

A: We continue to believe that an eventual overall peace settlement must pay due attention to the legitimate interests of the Palestinian people. However, the solution to the Palestinian problem and how the issue will be addressed in the negotiations is a matter for the parties to decide.

As far as negotiations between the PLO and Israel, that issue is really academic since the PLO does not recognize Israel's right to exist.

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Do NOT  
VOLUNTEER!

(5.)

Q: Do you have anything more to give us today on the subject of U.S. policy toward the ~~PLO and the Palestinians in general?~~

Guidance: I took the occasion last evening to review the record of what has been said by Administration spokesmen

since the Rabat summit conference. I found that record quite adequate and I would commend it to your review and scrutiny once again. For today, let me say as we have said repeatedly in the past, the President's press conference remarks reported no change in the U.S. position.

With regard to U.S. policy toward the Palestinians in general, this policy has also been stated publicly on a number of occasions; for example in the U.S./USSR Joint Communique of last July.

The question of the future of the Palestinian people is an important aspect of the Middle East problem. The United States recognizes that full consideration must be given to the legitimate interests of the Palestinian people if there is to be a just and durable settlement in the Middle East. The only question has been how to best proceed in order to reach this objective given the positions of those involved in the negotiations. We will continue to seek the answer and to use our best efforts to assist the parties to get negotiations started. It is exactly this that Secretary Kissinger is undertaking at this moment in the Middle East, and in light of his current discussions I would have nothing more to add on this subject.

## MIDDLE EAST

### FIGHTING IN LEBANON

If asked about the fighting in Lebanon between the Palestinians and the PALANGISTS, you can say that the problem appears to be an internal matter.

### CAIRO CABINET CHANGE:

FYI ONLY: The Sadat Cabinet shake-up appears to be a domestic issue based on desired changes in Egyptian social welfare and other programs.

### KISSINGER: - ALLON VISIT - FOLLOW-UP

It has been mutually agreed that Secretary of State Kissinger will meet with Israeli Foreign Minister Allon when he visits the United States for a fund raising tour. A date for the meeting has not yet been announced.

U. S. MIDDLE EAST STRATEGY -- INTERIM OR OVERALL  
SETTLEMENT

Q: On the basis of your talks with Sadat and the on-going reassessment, what are the prospects for early movement in the negotiations and what form will these take? Do you prefer to see a resumption of step-by-step diplomacy for another Egyptian/Israeli agreement, or do you prefer to see steps taken toward moving to an overall settlement, including resuming Geneva? Will the U.S. put forward a peace "plan"?

A: I think that my talks with President Sadat -- as will those with Prime Minister Rabin -- serve a very useful purpose in getting a first-hand assessment of their views and informing them of our belief that there must be early movement in the negotiations.

No final judgments as to precise new steps will be made until after our reassessment has been completed. We are looking at all of the diplomatic options which might hold promise for new progress. These include a step-by-step approach, a resuming of the Geneva Conference looking toward an overall settlement or possibly a broader interim agreement. The U.S. is not advocating any one approach but rather trying to assess which might offer the best hope for progress. When we have formed a judgment as to the best approach to take, we shall make it known. We will not make any final decisions until we have heard the views of all the interested parties.

NEW INTERIM AGREEMENT IN THE MIDDLE EAST?

Q. A New York Daily News article reports from Jerusalem that Egypt has "agreed in principle" to extend by three years the term of the UN peacekeeping force in the Sinai, "removing one of the key hurdles in achieving a new interim agreement with Israel," according to diplomatic sources.

Is this in fact true, and if so, what are the implications for a settlement in the Middle East?

A. I have seen the reports you mention, but I can only say that there has been no new agreement on an interim peace settlement. Negotiations are continuing however, and we continue to work for progress on a peaceful resolution of the Middle East situation.

## MIDDLE EAST NEGOTIATIONS

Q: Will Secretary Kissinger reach a new disengagement agreement between Egypt and Israel on this trip? Will progress in Sinai be related to further progress on the Syrian and Jordanian fronts?

A: We remain fully committed to helping find an overall settlement. There must be movement soon between Israel and the Arab states if there is to be no increase in the chances of war. Secretary Kissinger's trip should be viewed in the context of exploring personally with the parties, ways in which we can help achieve further progress.

The United States has felt that the interests of all parties in overall settlement can best be met by dealing with the many complex issues on a step-by-step basis. But in this current complex and sensitive period I am not going to get into the substance of delicate negotiations.

[FYI: Any comment on specifics -- such as oil fields and passes or non-belligerency should be avoided.]

FORD/HEARST INTERVIEW

Q. How do you reconcile the President's seemingly contradictory statements that he would not assess blame for the failure of the Middle East negotiation, and on the other hand, he said in an interview Monday that Israel should have been a bit more flexible in the interests of securing peace?

A. I will stand by the President's remarks. The President, as you know, believes that the parties were serious in their efforts to reach an agreement, but could not reconcile their differences at this time. He is committed to seeking a peaceful resolution of the Middle East conflict and it is his expectation that the parties are equally concerned and working toward a peaceful settlement.

12. With respect to the Middle East, the President said we have agreed in principle to reconvene the Geneva Conference but we are prepared as well to explore other forums. Is he talking about sending Secretary Kissinger back to the Middle East? Or is he considering asking Middle Eastern leaders to come to Washington? What would be the timing? Is the U.S. now prepared to offer detailed settlement proposals of its own?

Middle East - Refer to State.

FYI: Our reassessment of U.S. policy in the Middle East is still in progress. We have not yet reached decisions on next steps. The President made clear his willingness to listen to any ideas of the Arab and Israeli leaders concerned. We will not overlook any opportunities for making progress. End FYI.

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## MIDDLE EAST

For many details of the nature of the reassessment study, you may refer to the press conference Sec. Kissinger will give tomorrow at 11:00 am at the State Department.

Yesterday, outside the Capitol meeting room of the Senate Foreign Relations Committee, the Secretary said that reassessment means that we are facing "a new situation of some peril" and that it was inevitable in such a situation that "the President order a review to see what is the best policy for the United States to follow." He stressed that the United States' objective was not "punitive" action, saying "it is not a question of cutting off any aid. Aid will be determined in relation to the overall policy."

Middle East -- Aid Levels to Egypt, Israel

Q: What kind of aid commitments did you make to Sadat and what aid levels do you plan to send to the Hill for both Egypt and Israel, especially taking into account the Senate 76 letter urging substantial aid for Israel?

A: No final decisions for aid for the Middle East have been made. These will be reached after the conclusion of the general reassessment.

The subject of aid came up in my talks with Prèsidnt Sadat, and I reaffirmed our interest in the economic development and progress of Egypt. I told the President that we will seek ways we can assist Egypt's long-range economic development, both bilaterally and in cooperation with other states and international institutions. I will work with Congress toward this objective.

The question of aid to Israel may arise in my talks with Prime Minister Rabin and I am prepared to discuss Israel's needs with him but I will not be able to make a final decision. Following the completion of the reassessment, we will begin consultations with Congress on specific aid figures for Israel, Egypt and other Middle East countries.

Secretary Kissinger's Mid East Trip

<u>Location</u>	<u>Number of Trips</u>
Aswan	4
Jerusalem	7
Brussels	1
Ankara	1
Damascus	2
Amman	1
Riyadh	1

3. Can you confirm the story that the ~~U.S.~~ maintains U-2 planes and an unspecified number of U. S. military personnel on the British base at Akrotiri for the purpose of surveillance of Arab and Israeli positions?

GUIDANCE: No comment. *It is not white House practice to comment on surveillance.*

~~F. X. 123~~ *The State Department has on previous occasions confirmed that the U. S. has conducted reconnaissance activities in support of the Middle East disengagement agreements.*

MIDDLE EAST -- NEXT STEPS

Q: Now that an interim agreement has been signed between Egypt and Israel, what is your strategy for all of the other problems that need to be resolved -- such as the Syrian front, West Bank, Palestinians, Jerusalem, etc.? Will a Syrian-Israeli negotiation be the next step and how soon will it begin?

A: Our objective remains an overall settlement in the Middle East.

The recent Agreement itself notes that the new interim accord

between Egypt and Israel is not a final peace settlement. We fully

intend to pursue our <sup>ultimate</sup> objective of an overall settlement, and we are

prepared to assist the parties at their request in <sup>whichever framework</sup> [either a multilateral <sup>they themselves wish,</sup> or bilateral framework.] We firmly believe that the momentum toward

peace must be maintained.

6. Q: Do you have any comment on the Joe Alsop column today in which he claims the ~~United States will inevitably have to consider military action against the Persian Gulf States~~ to protect its access to the oil there.

Guidance: It has been our policy not to comment on the views of individual columnists and I will not comment on predictions such as those contained in the column you refer to today.

FYI: If pushed strongly on this subject, you can say that the United States has no plans nor is giving any consideration to military action against the oil producers and you would remind people that when similar speculation was raised following the President's UN speech, Secretary Kissinger and Secretary Schlesinger both made statements that such speculation was simply irresponsible.



~~7. President Sadat has said the Middle East is a bomb about to explode unless the U.S. and Sec. Kissinger take urgent action to bring about a resumption of negotiations. Is the U.S. concerned about an outbreak of war and can you confirm the Evans and Novak report that President Sadat's visit to the U.S. has been cancelled?~~

GUIDANCE: As we have said repeatedly in recent days, the U.S. remains committed to maintaining a momentum toward a Middle East peace settlement and we believe that the most effective way to do this is through a period of quiet diplomacy. I will, therefore, not have any detailed comment to provide you regarding the ME.

With regard to the visit of President Sadat to the U.S., there has never been a specific date set, therefore, we cannot talk of a cancellation or postponement. President Ford continues to look forward to welcoming President Sadat to the U.S. and when a mutually convenient date has been arranged, we will announce it to you.



THE WHITE HOUSE  
WASHINGTON

KON -

Herewith an outline  
I prepared for the staff on  
Nasser's trip in '74. It  
will bring you up to date  
until the current round  
on a second disengagement.

Les



# FOREIGN POLICY OUTLINES

Brief summaries of U.S. policy on various issues. Not intended to serve as comprehensive U.S. policy statements.

BUREAU OF PUBLIC AFFAIRS

DEPARTMENT OF STATE

## ARAB/ISRAELI CONFLICT

November 1973

1. The October crisis: On October 6 the three-year Middle East cease-fire ended. For the US, the crisis began in the early morning hours when the Government of Israel informed us of an imminent Arab attack on its forces in territories occupied in the 1967 Arab-Israeli war. At that time we made major efforts through diplomatic channels to prevent the outbreak of war.

On October 7 we called for the convening of the UN Security Council, which was unable to reach a consensus on a cease-fire. On October 10 the USSR began a substantial airlift of military weapons to certain Arab nations. To maintain the military balance, the US on October 13 launched a resupply effort to Israel. At the same time, we informed the USSR of our readiness, if there were an effective cease-fire, to suspend our resupply effort if the Soviets would also do so.

Intense bilateral discussions followed. On October 20, at President Nixon's instructions in response to a Soviet request, Secretary Kissinger flew to Moscow for talks directed at ending the fighting and laying the basis for a just and durable solution to the conflict. On October 21, the Security Council reconvened at the request of the US and the USSR to consider a draft resolution submitted by the two powers. This called for a cease-fire in place, implementation of Security Council Resolution 242 of November 1967 which contained the framework for a peaceful settlement of the Arab-Israeli dispute, and negotiations between the parties concerned under appropriate auspices to work out the terms of such a settlement. This resolution was adopted October 22 (Resolution 338). It marks the first time the Council has endorsed the need for negotiations between the parties, which the U.S. Government has long been urging.

On October 25, the US, reacting to Soviet communications and Soviet readiness actions, including the comprehensive alerting of their airborne forces, increased the readiness condition of US forces worldwide as a precautionary measure. Secretary Kissinger at a press conference said the US would back a UN observer effort and would agree, if the Council desired, to an international force to be introduced into the area as an additional guarantee of the cease-fire, provided this force did not include any participants from the permanent members of the Security Council. Later that day, the Council adopted by a 14-0 vote Resolution 340 requesting an immediate increase in UN observers and calling for the establishment of a UN Emergency Force which excludes personnel from the permanent members of the Security Council. The UNEF is to supervise the cease-fire, use its best efforts to prevent a recurrence of the fighting, and cooperate with the International Red Cross in its humanitarian endeavors.

On October 26, Defense Secretary Schlesinger announced a partial lifting of the US alert.

Diplomatic activity intensified the week of October 28 with visits to Washington by Egyptian Foreign Minister Fahmi, Israeli Prime Minister Meir, and Syrian Deputy Foreign Minister Ismail. On October 31, the State Department announced a special mission by Secretary Kissinger to Morocco, Egypt, Jordan, Saudi Arabia, Iran, and Pakistan. Assistant Secretary Sisco will make a follow-on trip to a number of other states in the area and to Europe.

2. US policy: The US had two major objectives in the October crisis:

- to end the war as quickly as possible;
- to do so in a way that would enable us to make a major contribution to removing the conditions that have produced four wars between the parties in 25 years.

A. In the present situation, the US:

- stands for strict observance of the cease-fire as defined in Security Council Resolutions 338, 339, and 340;
- endorses the creation of the UNEF and will assist in its support;
- supports the UN military observers, who will cooperate with the UNEF;
- is willing to supply some personnel to such an observer force;
- has undertaken a major diplomatic effort to speed negotiations.

B. Our long-range objectives are:

- A just and durable peace which will enable us to maintain relations with all the states of the Middle East.
- A solution based on Resolution 242, which: ensures the sovereignty, territorial integrity, and political independence of all states in the area within secure and recognized boundaries; guarantees the inviolability of the borders agreed upon; guarantees freedom of navigation through international waterways in the area; and pledges a just settlement of the refugee problem.
- Taking into account the legitimate interests of the Palestinian people in the context of the settlement.

3. Implications for detente: Detente has been important during the crisis in gaining an agreement between the two powers to use their influence to facilitate a Middle East settlement. This spirit can also play a key role as we move into the negotiating period ahead. At the same time we will resist any attempt to exploit detente to our detriment and we will react if the relaxation of tensions is used as a cover to exacerbate the problems of the area.

... specific goals of our policy.

5. The October 1973 "Yom Kippur" War.

A. The Month of October

On October 6 the three-year Middle East ceasefire ended. For the US, the crisis began in the early morning hours when the Government of Israel informed us of an imminent Arab attack on its forces in territories occupied in the 1967 Arab-Israeli war. At that time we made major efforts through diplomatic channels to prevent the outbreak of war. (see Tabs G & H)

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~~SECRET ATTACHMENTS~~

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Israeli Prime Minister Meir, and Syrian Deputy Foreign Minister Ismail. On October 31, we announced a special mission by Secretary Kissinger to Morocco, Egypt, Jordan, Saudi Arabia, Iran and Pakistan, the first of five trips to work out a disengagement of opposing forces.

B. US Strategy and Goals Since the Outbreak of the October War

-- A basic chronology is at Tab F which will give you a quick overview of the events of the past eight months.

-- This chronology is keyed to key excerpts of the principal Administration statements by the President, Dr. Kissinger and yourself. A brief review will refresh you of our public record on our policy and actions during this period.

C. It is useful in understanding the current situation in the Middle East to recall briefly what we have been trying to accomplish since the October war:

a. Our general strategy when war broke out on October 6 was to try to end it in such a way as to:

-- make possible a new peace-making effort;

-- to enhance the likelihood that the non-communist position would be strengthened in that effort.

b. The October 22 UN Security Council resolution (338) reflected two important objectives;

-- ending the war before the destruction of the Egyptian Third Army, which would have made a negotiation much more difficult;

-- establishing for the first time in a UN resolution the principle of negotiation between the parties to the Arab-Israeli conflict.

-- Text at Tab J.

D. Since then, our objective has been to get a negotiating process started. Our strategy has been:

- to segment the issues into manageable steps that the leaders involved can justify politically to their constituencies;
- to try to build confidence in the negotiating process by proceeding a step at a time so that both sides can have time to assess each step;
- to move in such a way as to broaden support both in the Arab world and in Israel for the negotiation.

E. You will recall that four important steps have been taken since the war:

- a. On November 11, Egypt and Israel signed a Six-Point Agreement stabilizing the cease-fire and setting the stage for disengagement talks. (Text at Tab M)
- b. The Geneva Conference was convened December 21 to establish a framework for the negotiating process called for in UN Security Council Resolution 338. Many complex issues are involved in an Arab-Israeli settlement, and it is crucial to establish patterns of communication and negotiation for putting these issues into their proper relationship. It is important to think of the Geneva Conference in terms of this process -- not just as a particular meeting at a particular time and a particular place.
- c. The Egyptian-Israeli disengagement agreement was signed January 18. (Text at Tab R) Implementation was completed March 5. (Map at Tab T)
- d. The Secretary's late February trip succeeded in reaching an understanding on procedures for beginning negotiations on a Syrian-Israeli disengagement.
  - The POW issue was overcome. The Israelis were extremely grateful. They could not have got the list of prisoners themselves. The Red Cross could visit each prisoner. Israel said it would negotiate when the prisoner list was received.

- Each side has a better idea of the other's substantive ideas. They were still not close, but there was a basis for negotiation.
- Israel and Syria sent representatives to Washington separately in late March and mid-April.
- Further direct US intervention became necessary and Secretary Kissinger undertook another trip to Damascus and Jerusalem to work out a disengagement agreement.

F. To understand what is involved in the Syrian-Israeli disengagement negotiation and to understand the purpose of the current trip, it is important to recall that the Egyptian-Israeli disengagement went through four steps over twelve weeks.

- The Six-Point Agreement signed at Kilometer 101 on November 11 consolidated the ceasefire and confirmed readiness on both sides to discuss disengagement.
- The Egyptian-Israeli talks at Kilometer 101 enabled the two sides to explore together various approaches to disengagement.
- The talks in the military working group at Geneva enabled the two sides to refine their views further.
- The Secretary's visits to Aswan and Jerusalem in January closed the final gap, but this would not have been possible in a week had it not been for the extensive exchanges prior to that.

G. It is also important to understand differences between the Egyptian and Syrian situations. Achieving agreement on the Syrian front was more difficult because:

- We had been talking to the Egyptians for some time before the October war about how we saw the negotiating process working. We have only begun our contacts with the Syrians, and their circumstances and approach are quite different.

- President Sadat early decided that a major disengagement would serve his interests. In President Asad's eyes the pressures on him are conflicting and the case less clear-cut.
- The Golan Heights are a much smaller area, and disengagement is more difficult technically to work out.

H. When a Syrian disengagement is agreed, several important objectives will have been achieved:

- The likelihood of a new outbreak of fighting will be substantially reduced. As the situation stands now, new fighting on the Syrian front would probably bring both the Egyptians and the Jordanians in and in the aftermath of the Islamic summit it is possible that a number of other Muslim nations would send forces.
- Syria will have broken ranks with the most radical of the Arabs, and the opportunity for the Soviets to maintain tension by stimulating the radicals will have been lessened.

I. Looking to the future:

- We must also consider what is possible on the Jordan-Israel front, although the domestic political situation in Israel right now complicates this due to Israeli popular sentiment against the Palestinians and the strategic importance of the occupied areas on the West Bank of the Jordan River.
- One of the last and most difficult item to be addressed is the status of Jerusalem, a highly emotional issue due to the involvement of three religions in its status. (See Tab W for detailed memo on US policy)
- When the disengagement phase is completed, the Geneva Conference will have to turn its attention to issues involved in a final settlement.

5. The Soviet Role

As for the present Soviet role in the Middle East, two points can be made:

- The US is walking a fine line with the USSR. We recognize that the USSR has legitimate interests in the Middle East and that it is important to involve the Soviets in the peace-making process so they will have an interest in not disrupting it. That having been said, it must also be said that we have an interest in limiting Soviet opportunities for combining and collaborating with radical forces in the area to maintain tension which they can exploit for their own purposes. The peacemaking process may contribute to that end.
- During his February 4 visit to Washington following the Egyptian-Israeli disengagement agreement, Gromyko pressed hard for joint US-Soviet action in the future and to return the main center of negotiation to Geneva where they would expect to participate more actively. But following the meeting of Boumediene, Faisal, Sadat, and Asad in Algiers, they sent the Saudi and Egyptian foreign ministers to Washington to ask Secretary Kissinger to go to the Middle East in an effort to launch Syrian-Israeli disengagement talks. We expect the focus will return to Geneva at an appropriate point, but the important consideration now is to complete the disengagement of military forces and to consolidate the ceasefire so that peace negotiations can proceed.
- See Tab V for detailed memo on Soviet involvement in the Middle East.

6. Oil and Energy

- A. Background: Oil has become the principal source of energy for the industrial countries. Rapidly increasing global demand has begun to outstrip available supply. Refinery shortages in major markets such as the US have also emerged. In the shift from a buyer's to a seller's market, fuel prices have soared, more than doubling since 1970, and affecting industries dependent on oil in every country.

- B. In 1960, oil supplied about one-third of Western Europe's energy requirements; by 1971 the figure had risen to 60 percent. Japan depends upon oil for 75 percent of her energy needs. During the 1960's the United States imported about 20 percent of the oil it consumed; by the end of the 1970's it will probably be importing about 50 percent. What happens in the Middle East, with approximately two-thirds of the world's proven oil reserves, is of major concern to all industrial nations.
- C. Sources: Two-thirds (410 million barrels) of the world's proven oil reserves (about 610 billion barrels) are in the Persian Gulf/North Africa area. The 13-nation Organization of Petroleum Exporting Countries (OPEC), which includes 7 Arab states (Abu Dhabi, Algeria, Iraq, Kuwait, Libya, Qatar, Saudi Arabia), and Ecuador, Gabon, Indonesia, Iran, Nigeria, and Venezuela, represents 70 percent of the world's known reserves. Arab producers received \$8.6 billion in oil revenues in 1972. Sharply increasing prices will net them more in the future.
- D. Increased demand for oil, plus increasing awareness of the value of their oil to the rest of the world, has given the producing nations of the Middle East political and economic leverage unheard of in this area under Pax Britannica. The rulers are no longer naive desert nomads whom the pioneers of the Middle East oil industry could dominate and often manipulate. Government officials are now more often than not rich, sophisticated, and educated in the best universities of Europe and the United States. They are determined to assert their country's control over its own resources and to increase its influence on oil company operations.
- E. Saudi Arabia is the world's leading exporter of oil and third largest oil producer. With proved reserves estimated at over 150 billion barrels -- one-quarter of all world-proved reserves -- Saudi Arabia has the capability to continue to expand its oil production after most other oil-producing states' production peaks sometime in the 1980's. Spurred by the rapidly rising world demand for oil, Saudi oil production has increased from

under 3 million barrels/day in 1969 to over 7 million barrels/day in early 1973. Production is expected to reach 10 million barrels/day by 1975. Part of Saudi Arabia's oil output is shipped to the Mediterranean port of Sidon via TAPLINE, passing through Jordan, Syria, and Lebanon. Capacity of this line is 470,000 barrels/day. The bulk of Saudi oil exports move by tanker from the Eastern Province oil terminal of Ras Tanura.

Most of this oil (over 90 percent) is produced by the Arabian-American Oil Company (ARAMCO), originally a consortium of four US oil companies (Standard Oil of California, Standard Oil of New Jersey, Texaco, and Mobil). Following negotiations with the consortium, the Saudi Arabian Government in January 1973 acquired a 25 percent interest in the ARAMCO concession. The remainder of Saudi oil production is provided by the Japanese-owned Arabian Oil Company and by Getty Oil Company (US) which hold concessions from Saudi Arabia in the former Saudi-Kuwait Neutral Zone. ENI/Phillips, an Italian-US consortium, is exploring in the Empty Quarter. PETROMIN, the Saudi oil company, does not yet have any oil production of its own, but is a partner with several US and French firms in exploring for oil along the Red Sea Coast.

7. Purposes of President's Trip to the Middle East