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OFFICE OF THE VICE PRESIDENT
WASHINGTON

December 17, 1973

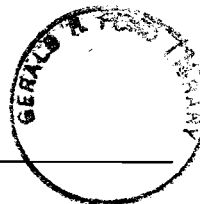
MEMORANDUM OF CONVERSATION

PLACE: Vice President's
Ceremonial Office
TIME: 2:45 p.m.
DATE: December 12, 1973

SUBJECT: Meeting With Ahmad Zaki Yamani, Minister of
Petroleum and Mineral Wealth of Saudi Arabia
and Belaid Abdesselam, Minister of Industry
and Energy of Algeria

PARTICIPANTS: The Vice President
Maj. Gen. J. M. Dunn 

Ahmad Zaki Yamani
Belaid Abdesselam
Ibrahim Al-Sowayel, Ambassador of
Saudi Arabia



Meeting began with an exchange of pleasantries. The Vice President then expressed his pleasure with the opportunity to talk with the Ministers and inquired how the visit was going. Minister Yamani answered that he was generally very well pleased. He had been well received everywhere, and found general acceptance of the importance of his mission, a recognition of the importance the Arab nations attach to quick and just settlement of the Middle East crisis. The Vice President assured him that the United States would make every possible effort to reach an agreement within the framework of United Nations Resolution 242. That was the proper place to begin and then, of course, it was up to the designated negotiators of the various nations to work out the terms in detail. The United States

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E.O. 12958, Sec. 3.5

NSC Memo, 11/24/96, State Dept. Guidelines
By WAM, NARA, Date 10/2/00

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representatives will work with both sides to obtain a fair solution. The American people support fully the expressed views of the Secretary of State that both sides must be reasonable and exhibit good will if we are to obtain a just and lasting peace. Yamani responded that the Arabs certainly do want peace, that it is their most fervent desire that there be no further aggression in the area. For their part, they approach the Geneva Conference with great good will.

The Vice President indicated his concern that pressures might come from the outside to both the Arabs and Israelis which could perhaps cause the Israelis to demand too much while the Arab nations also might be forced into a position that was too inflexible. Minister Yamani responded that the position of the Arabs was most reasonable. They were prepared to accept the reality of the situation, recognize the existence of Israel, and designate and recognize boundaries of that State.

The Vice President expressed appreciation for this reasonable and generous attitude. He was glad also to have had the opportunity recently to hear Minister Dayan say that territorial adjustments are possible. Yamani responded that he was very glad also to hear that, that proper territorial adjustments would be most helpful, but that anything less than a return to the pre-1967 boundaries was unacceptable.

The Vice President indicated that emerging better relations between the United States and Egypt are a most hopeful sign. Yamani thanked God that relations between Saudi Arabia and the United States have always been good--the two countries always have been able to sit down and iron out difficulties as they arose.

In response to a question, Yamani indicated that the Geneva Conference would begin formally the 18th of December, but that the real work would not begin until early January. Aside from the most important territorial problem, in terms of reaching agreement on a peace treaty the Palestinian refugees who have been without a home for 25 years were the greatest issue. This situation must be remedied quickly, for the benefit of all. How best to remedy it is the critical question for the peace conference, but if the Israelis really desire peace, everything can be worked out. The Israelis are always talking about the need for secure boundaries, but in the opinion of the Minister, it is the Arabs who have the most need for concern for secure boundaries.



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The Vice President indicated that there have been four wars since 1948 in the Middle East, that they seem to get progressively worse in terms of casualties and other far-reaching bad effects. The world, and especially the area nations, cannot afford a continuation of this.

Yamani indicated that the entire Free World indeed has a strong interest in arriving at a workable solution. The flow of oil, so necessary for the Free World economies, definitely would be disturbed and perhaps irreparably disrupted by further conflicts or disturbances. The Saudis have great faith in this great nation. They fear and distrust the communists and dislike very much to see their American friends suffer. Nonetheless, they believe sincerely that it is the Israelis who are at fault and who are the immediate cause of the problem. All that is required now, is that some solution be reached in order that the oil situation come quickly back to normalcy.

The Vice President warned that if no settlement can be reached and a stalemate results in Geneva, the American people will be apt to point a finger of blame in both directions. Inflexibility on either side will not be well received here. Yamani replied that he thanked God, therefore, that the Arabs are so flexible, perfectly prepared to move. They want nothing more than a just solution.

The Vice President stated that never in his experience of more than 25 years in Washington had he seen a better opportunity for strong, affirmative action. We also very badly want a just and lasting solution. He asked how long a time lag there would be between agreement and the removal of the embargo. Yamani responded that only the time of transit between oil ports of embarkation and destination. However, there was another problem: Saudi Arabia had begun a very large expansion program which now is halted. Therefore, it is not only for the short-term but for the mid-term that the oil picture is clouded by a lack of agreement, and the whole free world which is ever more dependent upon Saudi Arabian oil is affected. Facilities previously under construction to provide more capabilities include wells, pipelines, separation plants, and ports. The price was also going up. Prior to the embargo, oil had been selling at \$3.65 a barrel and Oman recently had received offers at auction of up to \$17 a barrel. The Iranians in particular, in a seller's market, now can force the price up very quickly.

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The Vice President asked what reaction he had had with the Senate Foreign Relations Committee. Yamani replied that he felt he had been successful in conveying his message. Certainly, great interest was indicated everywhere, and it is clear that the problem now is no longer considered to be distant from the main concerns of America. He reiterated the very friendly feelings which the Arabs generally, and the Saudi Arabians in particular, had towards the United States. Only the Israeli problem remained between us.

The Vice President reiterated the intention of the United States to do everything it could to help reach a settlement and implement United Nations Resolution 242. This clearly was in the best interest of everyone concerned. Minister Yamani replied that the Arabs had great faith in the ability of the United States to do so, and the meeting concluded with a further exchange of pleasantries.



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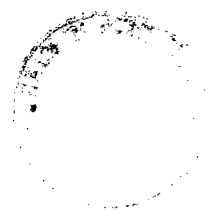
MEMORANDUM FOR

THE VICE PRESIDENT

SUBJECT: Your Meeting with Arab Oil
Ministers, Yamani and
Abdesselam

Attached is a scope paper prepared for your meeting at 3:00 p.m. today with Saudi Oil Minister Ahmad Zaki Yamani and his Algerian counterpart Belaid Abdesselam. Biographic data is also provided.


Mike Dunn



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E.O. 12958, Sec. 3.5
NSC Memo, 11/24/98, State Dept. Guidelines
By WHA, NARA, Date 10/24/00

CONFIDENTIALScope PaperVice President's Meeting with Arab Oil MinistersSetting

Saudi Oil Minister Ahmad Zaki Yamani and his Algerian counterpart Belaid Abdesselam have come to the U.S. following a resolution approved in Kuwait on November 4 by Arab oil producers that they visit Western capitals to discuss Arab oil policy. Yamani and Abdesselam have sought to explain the rationale for the oil embargo applied to the U.S. and for the production restrictions, which affect consumer countries in Western Europe and Japan, to as broad an audience as possible. Both Ministers have called on Secretary Kissinger as well as on Secretaries Dent, Morton, Shultz, Schlesinger, and Federal Energy Agency head Simon. Yamani appeared on NBC's "Meet the Press" last Sunday. Both Ministers have also met with Speaker Carl Albert, with members of the House Foreign Affairs Committee and with several groups of Senators.

The two Ministers have come at a time when the Arab Summit in Algiers has reaffirmed the decision to use oil as a political weapon and endorsed a classification of oil consumers as friendly, neutral, and unfriendly. They also come at a time when the impact of the boycott and the reduction in deliveries of oil are beginning to bite hard on the economies of the Western industrialized world.

Analysis/Background

Yamani and Abdesselam are here essentially to draw attention to the Arab concerns which led to the imposition of the oil restrictions rather than to negotiate on oil matters. They will maintain that it is the massive U.S. military and economic support for Israel during the recent hostilities that is responsible for the Arab oil embargo against the U.S.

They will say the restrictions on oil will not be relaxed until Israel begins to withdraw from territories it occupied during the June 1967 war including East Jerusalem. Yamani has indicated publicly that the Arabs are prepared to begin to remove the embargo on the US and to begin relaxing restrictions on production once Israel has agreed to a timetable for withdrawal.

The Ministers are also looking for any signs of a shift in attitude within the US Government or the American people either toward or against the Arabs as a result of the embargo. They wish to ascertain whether the US is prepared to exert pressure on Israel to begin withdrawal. While they have been impressed by the friendly and interested attitude of all the persons they have met, they have indicated that the Arabs are not likely to take measures to remove the restrictions until they have something they can point to the Arab public to justify the relaxation of these restrictions. They do not consider that mere convening of the Geneva peace conference on December 18 would be sufficient justification.

If the subject of countermeasures which the US might take in reaction to the embargo should arise, the Ministers will argue that these countermeasures will only encourage the more radical Arabs either to take measures against the still substantial American business presence in the Middle East or encourage the oil producers to cut back on their production even more and thus accentuate the adverse economic impact being felt in the industrialized world.

Talking Points

In responding to the Ministers' points, we want to make them aware that Arab oil restrictions will not decide our policy during the upcoming peace negotiations in Geneva. If necessary, the US is prepared to endure the inconveniences caused by the oil embargo. We want to get across that the negotiating situation has changed fundamentally

since the restrictions were imposed (i.e., while hostilities were still underway). Security Council Resolution 338 which postdates the restrictions provides a negotiating context in which we can make our influence felt if our hands are not tied by continuing pressures. It reaffirms the commitment to negotiate a settlement within the framework of UN Security Council Resolution 242 of November 1967. The latter was unanimously approved by all members of the Security Council and has been accepted as well by Israel and the Arab states it borders.

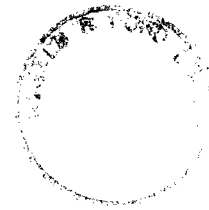
At the same time, we want to make clear that the confrontation the Arabs have created through the embargo is one we deplore because it could have an adverse impact on our longer term relations. We have thus far resisted demands within Congress that we institute countermeasures and our emphasis has been instead to try and find opportunities for the Arabs to remove quietly their oil restrictions against us.

Specifically you may wish to make the following points:

-- The U.S. holds the key to bringing the Israelis to the bargaining table in a reasonable mood. No other country in the world has that capability.

-- We cannot, however, be expected to play a meaningful role in the peace negotiations unless the embargo is removed. It is important that the talks not take place in an environment where the oil weapon is pointed at the head of the US. The American people will not stand for it.

-- We are not seeking a confrontation with the Arab states in spite of mounting pressures that we institute countermeasures; however, you should be under no misapprehensions that if you continue to apply pressure once the negotiating process is underway, it will be seen in this country as punitive.

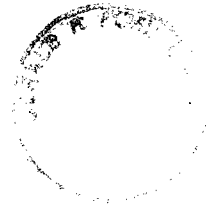


-- The Arab states have through their oil restrictions or embargo made the point that they can take concerted action. Now, as the cold winter sets in, the Arab states can win world-wide approbation by removing these restrictions.

-- The U.S. is now committed to work vigorously to ensure the success of the peace conference and the implementation of UN Resolution 242. The Conference in Geneva will be a dramatic event and create a totally new situation in the 25-year history of the Arab-Israel problem. US participation, along with that of the Soviet Union and the UN Secretary General, underlines our commitment to the successful outcome of this conference. Responsible Arabs can demonstrate their commitment to the success of the conference by removing their oil pressures. Otherwise, the Arab world risks overkill with long-term hostility which would be neither to the benefit of the Arab world nor to ourselves.

Attachment

Biographies: Yamani, Abdesselam



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Presidential Libraries Withdrawal Sheet

WITHDRAWAL ID 035849

REASON FOR WITHDRAWAL ÇNational security restriction
TYPE OF MATERIAL ÇBiography
DESCRIPTION Concerning Saudi official
CREATION DATE 10/31/1973
VOLUME 1 page
COLLECTION/SERIES/FOLDER ID . 002301003
COLLECTION TITLE GERALD R. FORD VICE PRESIDENTIAL PAPERS
BOX NUMBER 65
FOLDER TITLE December 12, 1973 - Ahmad Zaki Yamani,
Minister of Petroleum and Mineral
Wealth of Saudi Arabia, and Belaid
Abdesselam, Minister of Industry and
Energy of Algeria
DATE WITHDRAWN 11/18/2011
WITHDRAWING ARCHIVIST WHM

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REASON FOR WITHDRAWAL ÇNational security restriction

TYPE OF MATERIAL ÇBiography

DESCRIPTION Concerning Algerian official

CREATION DATE 08/1973

VOLUME 1 page

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