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Authority **EO 12958**  
By **ARO** NARA Date **9/9/03**

Wor  
23 Oct  
OIL

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DP IMMED  
ESA130RAA522  
DE RUEBRA #4663/1 2961030  
O 230935Z OCT 73  
FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 5275  
INFO AMEMBASSY ABU DHABI IMMEDIATE 147  
AMEMBASSY AMMAN IMMEDIATE 2020  
AMEMBASSY BEIRUT IMMEDIATE 4651  
AMCONSUL DHAHRAN IMMEDIATE 6048  
AMEMBASSY KUWAIT IMMEDIATE 2044  
AMEMBASSY LONDON IMMEDIATE 2693  
AMEMBASSY PARIS IMMEDIATE 838  
AMEMBASSY ROME IMMEDIATE 461  
AMEMBASSY TEHRAN IMMEDIATE 1329  
AMEMBASSY TEL AVIV IMMEDIATE 678  
AMEMBASSY TOKYO IMMEDIATE 79  
AMEMBASSY TRIPOLI IMMEDIATE 599  
USMISSION EC BRUSSELS IMMEDIATE 127  
USMISSION OECD PARIS IMMEDIATE

~~WJ~~  
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CONFIDENTIAL SECTION 1 OF 2 JIDDA 4663

DEPT PASS CAIRO  
BEIRUT ALSO FOR BAGHDAD  
E.O. 11652: GDS  
TAGS: ENRG, SA, XF

SUBJECT: SAUDI BAN ON OIL SHIPMENTS TO U.S.  
REF: A) JIDDA 4621; B) JIDDA 4615; C) JIDDA 4616  
D) JIDDA 4630; E) JIDDA 4600; F) JIDDA 4620

SUMMARY: SAUDI DECISION TO CUT OFF OIL SHIPMENTS TO  
U.S. ATTRIBUTABLE TO KING'S OWN DECISION; KING ANGRY  
AT ANNOUNCEMENT OF LARGE U.S. MILITARY GRANT PROGRAMS  
TO ISRAEL AND PROBABLY FELT THAT ANY LESSER RESPONSE  
WOULD LEAVE SAUDI ARABIA UNCOMFORTABLY ISOLATED IN  
ARAB WORLD. U.S. MISSION CONTACTS WITH HIGH-LEVEL  
SAG OFFICIALS, HOWEVER, INDICATE SAG WISHES TO MINIMIZE  
DAMAGE THAT PRESENT CRISIS MAY DO TO US-SAG RELATIONS.  
JOINT US-USSR RESOLUTION IN SECURITY COUNCIL POTENTIALLY A  
RADICALLY POSITIVE STEP; BUT IF IT DOES NOT SUCCEED,  
SAG MAY FEEL COMPELLED TO INCREASE PRESSURE ON U.S.  
INTERESTS IN MILITARY, COMMERCIAL, ENERGY AND FINANCIAL

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AREAS. EMBASSY IS STRESSING WITH SAG NEED THAT CHANNELS OF COMMUNICATION REMAIN OPEN, AND THAT EACH SIDE GIVE OTHER MAXIMUM ADVANCE NOTICE OF ANY MEASURES IT IS CONTEMPLATING. END SUMMARY.

1. THERE IS LITTLE DOUBT THAT SAG DECISION TO BAN PETROLEUM EXPORTS TO U.S. STEMMED FROM KING FAISAL HIMSELF. DISCUSSION BETWEEN HIGH-RANKING SAG OFFICIALS AND AMBASSADOR (REF B AND E) IN 24 HOURS PREVIOUSLY HAD NOT INDICATED SAG ON VERGE OF TAKING SUCH BIG STEP.

2. SOURCES IN ROYAL DIWAN OCT 21 HAVE CONFIRMED TO EMBASSY THAT DECISION TAKEN BY KING, AND WAS PRINCIPALLY MOTIVATED BY U.S. PROPOSAL TO PROVIDE ISRAEL WITH 2.2 BILLION DOLLARS OF GRANT MILITARY AID. WE TOLD BY CHIEF OF ROYAL DIWAN, AHMAD ABDUL WAPAB (A WELL-ADJUSTED PRO-AMERICAN FIGURE) THAT KING WAS AS FURIOUS AS HE HAD EVER SEEN HIM AND THAT HM TOOK PARTICULAR UMBRAGE AT WHAT HE CONSIDERED TO BE DIFFERENCE BETWEEN REASSURING TONE OF VARIOUS COMMUNICATIONS HE HAD RECEIVED FROM USG, AND U.S. ANNOUNCEMENT OF "INCREDIBLE" AMOUNT OF AID TO GOI. KING'S SUBSEQUENT CALL FOR JIHAD (FBIS KYRENIA 210810Z OCT 73) CAN ALSO BE ASCRIBED TO KING'S DISPLEASURE. KING'S MOOD EMPHATICALLY REFLECTED ALSO BY ABLE, NATIONALIST MINISTER HISHAM NAZER, HEAD OF CENTRAL PLANNING ORGANIZATION.

3. WE SHOULD NOT, HOWEVER, OVERSTRESS THE CAUSATIVE EFFECT OF PURE EMOTION IN KING'S DECISION TO CUT BACK OIL SHIPMENTS TO U.S. A NUMBER OF ARAB COUNTRIES HAD ALREADY TAKEN STEP OF BANNING SUCH SHIPMENTS, AND YAMANI HAD INFORMED AMBASSADOR THAT OTHERS WOULD PROBABLY FOLLOW (REF B). AS IMPACT OF U.S. AID DECISION MADE ITSELF FELT IN ARAB WORLD, KING MAY HAVE FELT THAT SAG WOULD OCCUPY EXPOSED SALIENT IF IT--ALONE AMONG ARAB OIL PRODUCERS--CONTINUED TO PROVIDE OIL TO U.S.

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AMEMBASSY ROME IMMEDIATE 0462  
AMEMBASSY TEHRAN IMMEDIATE 1330  
AMEMBASSY TEL AVIV IMMEDIATE 0679  
AMEMBASSY TOKYO IMMEDIATE 0080  
AMEMBASSY TRIPOLI IMMEDIATE 0600  
USMISSION EC BRUSSELS IMMEDIATE 0128  
USMISSION OECD PARIS IMMEDIATE

CONFIDENTIAL SECTION 2 OF 2 JIDDA 4663

DEPT PASS CAIRO  
BEIRUT ALSO FOR BAGHDAD

4. EMBASSY CONTACTS ELSEWHERE IN SAG, MOREOVER, TEND TO  
CONFIRM OUR ASSESSMENT THAT SAG WISHES MINIMIZE DAMAGE  
THAT PRESENT CRISIS COULD CAUSE TO US SAUDI RELATIONS.  
DOM'S DISCUSSION WITH DIRECTOR OF PUBLIC SECURITY FOR  
WESTERN REGION OCT 20 MADE CLEAR SAG'S GREAT CONCERN  
WAS SECURITY, WELL-BEING, AND GOOD MORALE OF AMGITS IN  
SAUDI ARABIA (REF E). ALSO, DURING MEETING OCT 21  
BETWEEN CHIEF OF U.S. MILITARY TRAINING MISSION (GUSMTM),  
GENERAL HILL AND DEPUTY MODA (AND KING'S BROTHER), PRINCE  
TURKI, PRINCE STATED "WE HAVE HAD TO TAKE CERTAIN POLITICAL  
DECISIONS DURING THE WAR JUST AS YOU HAVE, BUT THAT MUST  
BE KEPT ENTIRELY SEPARATE FROM RELATIONSHIPS BETWEEN  
MODA AND USMTM." PRINCE IN SOMBER MOOD, BUT WAS AT ALL  
TIMES COURTEOUS AND FRIENDLY TO GENERAL HILL AND HIS STAFF.  
5. FURTHER SAUDI REACTIONS WILL BE DETERMINED PARTLY BY

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~~WHAT WE DO AND SOME BY COURSE OF ARAB/ISRAELI FIGHTING,  
 JOINT US-USSR RESOLUTION IN SECURITY COUNCIL POTENTIALLY  
 RADICALLY POSITIVE STEPS BUT NO PROGRESS IN IMPLEMENTING  
 ON IMPLEMENTATION AND IF THE ARABS THEN FACE PROSPECT  
 OF SERIOUS MILITARY SETBACK OR IF A CEASE-FIRE IS NOT  
 RAPIDLY FOLLOWED BY ISRAELI WITHDRAWAL FROM AT LEAST  
 SOME ARAB LANDS, SAUDIS WOULD RESPOND MUCH AS WOULD  
 THEIR NEIGHBORS AND CAST ABOUT FOR WAYS TO PRESSURE/  
 PUNISH U.S. AND WESTERN EUROPEANS. AMONG THE MEASURES  
 THEY COULD TAKE MIGHT BE ACCELERATED USE OF OIL WEAPON  
 (FURTHER CUTS IN PRODUCTION OR NATIONALIZATION OF U.S.  
 ASSETS), TERMINATION OF U.S. MILITARY OVERFLIGHTS (WHICH  
 NUMBER CIRCA 20 EACH WEEK), OR USE FINANCIAL RESOURCES  
 TO APPLY PRESSURE ON DOLLAR. (AMBASSADOR HAS ALREADY  
 POINTED OUT TO MIN YAMANI THIS WOULD BE COUNTERPRODUCTIVE--  
 REF C, AND WE ARE TOLD BY RELIABLE SOURCE THAT DIRECTOR  
 OF MONETARY AGENCY ANWAR ALI OPPOSES SUCH A STEP.) WE  
 MIGHT ALSO EXPECT CALLS BY SOME RADICAL OF COMBATANT ARAB  
 NATION FOR MEETING OF FOREIGN MINISTERS OR CHIEFS OF  
 STATES, AND THAT SOME PRETTY NEGATIVE RECOMMENDATIONS  
 RE OUR MIDDLE EAST INTERESTS WOULD EMERGE FROM ANY SUCH  
 GATHERING.~~

~~6. SAG ACTION COULD ALSO DELIVER A SETBACK TO IMPORTANT  
 U.S. COMMERCIAL AND MILITARY SALES. SAG HAS GROWN TO BE  
 ONE OF LARGEST MARKETS FOR AMERICAN PRODUCTS BETWEEN  
 EUROPE AND JAPAN, WITH SALES RUNNING AT MORE THAN A THIRD  
 OF A BILLION DOLLARS THIS YEAR. OUR MILITARY SALES  
 PROGRAMS MOREOVER HAVE IN PAST THREE YEARS EXCEEDED  
 500 MILLION DOLLARS, AND THERE ARE GOOD PROSPECTS  
 FOR FMS CASH SALES OF A SIMILAR ORDER TO BE CONCLUDED  
 WITHIN THE NEXT TWO YEARS. WE SHOULD REMEMBER THAT  
 EUROPE, PARTICULARLY FRENCH AND BRITISH SOURCES, ARE  
 MORE THAN PREPARED TO PICK UP THE FALLOUT FROM THE  
 AMERICAN DILEMMA IN THE MIDDLE EAST CONFLICT.~~

*Saudi are  
 shipping of  
 various US  
 products*

~~7. IN MEANTIME, AMBASSADOR HAS PASSED WORD TO CHIEF  
 DR ROYAL DIWAN THAT IT ESSENTIAL FOR CHANNELS OF  
 COMMUNICATION BETWEEN HIM AND SAG TO REMAIN OPEN AT  
 ALL TIMES. AMBASSADOR ALSO SAID THAT IN ORDER TO  
 MINIMIZE STRAIN OF CURRENT DEVELOPMENTS ON OUR RELATIONS,  
 IT IMPORTANT THAT EACH SIDE BE GIVEN MAXIMUM POSSIBLE  
 NOTICE OF STEPS OTHER MIGHT BE CONTEMPLATING; DIALOGUE  
 MUST GO ON. AMBASSADOR MAKING SAME POINT ALSO TO MINPET  
 YAMANI WHO BASICALLY WELL DISPOSED TO SAG'S WESTERN  
 CONNECTION, AND MIGHT THUS BE USEFUL IN A SEMI-PRIVATE  
 ROLE.~~

~~8. FINALLY, WITH REGARD TO SAUDI ACTIONS AGAINST U.S.  
 OIL AND OTHER INTERESTS, WE SHOULD AVOID ACRIMONIOUS~~

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COMMENTS: SINCE THESE TEND TO KEEP AN UNHELPFUL DIALOGUE  
GOING.  
AKINS  
BT

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