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TO SECSTATE HASHDOC IMMEDIATE 3275
INFO AMBASSAD O ABU DHABI IMMEDIATE 147
AMBASSAD O AHMAN IMMEDIATE 2020
AMBASSAD O BEIRUT IMMEDIATE 4651
AMCONSUL DHAHRAN IMMEDIATE 6048
AMBASSAD O KUWAIT IMMEDIATE 2044
AMBASSAD O LONDON IMMEDIATE 2693
AMBASSAD O PARIS IMMEDIATE 838
AMBASSAD O ROME IMMEDIATE 461
AMBASSAD O TEHRAN IMMEDIATE 1329
AMBASSAD O TEL AVIV IMMEDIATE 678
AMBASSAD O TOKYO IMMEDIATE 79
AMBASSAD O TRIPOLI IMMEDIATE 599
USMISSION EC BRUSSELS IMMEDIATE 127
USMISSION OEC PARIS IMMEDIATE

CONFIDENTIAL SECTION 1 OF 2 JIDDA 4683

DEPT PASS CAIRO
BEIRUT ALSO FOR BAGHDAD
E.O. 11992: 905
TAGS: ENRG: SAV: XF

SUBJECT: SAUDI BAN ON OIL SHIPMENTS TO U.S.

REF: A) JIDDA 46215 B) JIDDA 46135 C) JIDDA 4616
D) JIDDA 46300 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 ORDER PROVEN
TO BE FALSE AND PROBABLY FEEL THAT ANY LESSER RESPONSE
WOULD HAVE CAUSED SAUDI ARABIA UNCOMFORTABLY ISOLATED IN
ARAB WORLD; NO MISSION CONTACTS WITH HIGH-LEVEL
SAG OFFICIALS TO REMIND INCREASED DANGERS OF JANITOR COUP TAKEN;
FINDS US-SECURITY RELATIONSHIP IN SECURITY COUNCIL POTENTIALLY A
RADICALLY POSITIVE STEP; BUT IF IT DOES NOT SUCCEED
SAG MAY FEEL COMPELLED TO INCREASE PRESSURES ON OIL
INTERESTS OF ARABIA: 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 PHOSPHATE IMPORTS TO U.S. STEMMED FROM KING FAISAL'S MINISTRY DISCUSSION BETWEEN HIGH-RANKING SAG OFFICIALS AND AMBASSADOR. (REF B AND BA. IN 24 HOURS PREVIOUSLY HAD NOT INDICATED SAG ON VERGE OF TAKING SUCH HARD STEP.

2. SOURCES IN ROYAL DIWAN SAYS THEY HAVE CONFIRMED TO EMBASSY THAT DECISION TAKEN BY KING, AND WAS PRINCIPALLY INFLUENCED BY U.S. PROPOSAL TO PROVIDE ISRAEL WITH $25 MILLION DOLLARS IN GRANT ULTIMATUM, AS MADE BY CHIEF ROYAL ADVISER Rushdi, And Washington AID. AFRICAN FIGURE THAT KING WAS AS FURIOUS AS HE HAD EVER BEEN, AND THAT His THREAT PARTICULAR UMBREGAGE AT WHAT HE CONSIDERED TO BE DIFFERENCE BETWEEN REASSURING TONE OF VARIOUS COMMUNICATIONS he HAD RECEIVED FROM U.S. AND U.S. ANNOUNCEMENT OF "INCREDIBLE" AMOUNT OF AID TO GULF KING S SUBSEQUENT CALL FOR VIHAD (AFS. KYRENEZ 200310Z OCT 73) CAN ALSO BE DESCRIBED TO KING'S DISPLEASURE; KING'S MOOD SKEPTICALLY REFLECTED ALSO BY ABDE, NATIONALIST MINISTER. HIS MAZRAH, HEAD OF CENTRAL PLANNING ORGANIZATION.

3. WE SHOULD NOT, HOWEVER, OVERSTRESS THE CAUSATIVE EFFECT OF PURE EMBOTHER 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 YARMOUT HAD INFORMED AMBASSADOR THAT OTHERS WOULD PROBABLY FOLLOW (REF G); AS IMPACT OF U.S. AID DECISION MORE ITSELF FELT IN ARAB WORLD; KING MAY HAVE FELT THAT SAG WOULD OCCUPY EXPOSED SALTEN IF IT--ALONE AMONG ARAB OIL PRODUCERS--CONTINUED TO PROVIDE OIL TO U.S.

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TO SECSTATE WASHCOT IMMEDIATE 5276
INFO AMBASSADOR ABU DHABI IMMEDIATE 0146
AMBASSADOR AMMAN IMMEDIATE 2021
AMBASSADOR BEIRUT IMMEDIATE 4552
AMBASSADOR BAGHDAD IMMEDIATE 6049
AMBASSADOR KUWAIT IMMEDIATE 2045
AMBASSADOR LONDON IMMEDIATE 2694
AMBASSADOR PARIS IMMEDIATE 0839
AMBASSADOR ROME IMMEDIATE 0462
AMBASSADOR TEHRAN IMMEDIATE 3320
AMBASSADOR TEL AVIV IMMEDIATE 0679
AMBASSADOR TOKYO IMMEDIATE 0080
AMBASSADOR PRAGUE IMMEDIATE 0000
MISSION OE BRUSSELS IMMEDIATE 0128
MISSION OEC PARIS IMMEDIATE

CONFIDENTIAL SECTION 2 DF JIDDA 4663

DEPT PASS CAIRO
DEPT PASS ALSO FOR BAGHDAD

I. EMBASSY CONTACTS ELSEWHERE IN SAGI MOREOVER, TEND TO CONFIRM OUR ASSESSMENT THAT SAGI UNDER RECONSTRUCTION, THAT PRESENT SITUATION COULD CAUSE TROUBLES-SAUDI RELATIONS.

II. DISCUSSION WITH DIRECTOR OF PUBLIC SECURITY FOR WESTERN REGION OCT 20 MADE CLEAR SAGI GREAT CONCERN WAR SECURITY, WELL BEING, AND GOOD MORALE OF ANGELS IN SAUDI ARABIA. (REF E) ALSO, DURING MEETING OCT 22 BETWEEN CHIEF OF U.S. MILITARY TRAINING MISSION (GSMTH), GENERAL MILLI AND DEPUTY MINA (AND KING'S BROTHER), PRINCE

PRINCE STATED WE HAVE HAD TO TAKE CERTAIN POLITICAL DECISIONS DURING THE WAR JUST AS YOU HAVE, BUT THAT MUST NOT BE ENTIRELY SEPARATE FROM RELATIONSHIP BETWEEN

USMIN AND USMIN PRINCE IN SOMBER MOOD, BUT WAS ALN

COURTEOUS AND FRIENDLY TO GENERAL MILLI AND HIS STAFF.

V. FURTHER SAUDI REACTIONS WILL BE DETERMINED FAIRLY BY

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WHAT WE DO AND THE COURSE OF ARAB-ISRAELI FIGHTING.-

US president's express concerns regarding the potential evolution of the conflict and its implications for peace processes. The US president is keen on preserving the relative peace in the region, and thus is pushing for a diplomatic resolution to minimize the risk of escalating conflict.

6. SAG action could also deliver a setback to important US military programs. One of the largest markets for American products is Europe, where one firm has sales running at more than a 10 percent rate of a billion dollars, and another in excess of 500 million dollars, and there are good prospects for cash sales if a similar order to be concluded within the next two years. We should remember that Europe, particularly France and Britain, are more experienced in picking up the fallout from the American dilemma in the Middle East conflict.

7. In the meantime, the ambassador has passed word to the chief of royal diwan that it is essential for channels of communication between him and SAG to remain open at all times. The ambassador also said that in order to minimize strain of current developments our relations, it is important that each side be given maximum possible notice of steps other might be contemplating. Dialogue must go on. Ambassador making same point that 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 US: Oil and other interests, we should avoid acrimonious
COMMENTS: SINCE THESE TEND TO KEEP AN UNHELPFUL DIALOGUE