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Authority E.O. 12958

By 8 NARA Date 6-05-02



Department of State

TELEGRAM

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OF THE CANAL, NEAR SUEZ CITY, WERE ALSO IN ACTION, AND WHAT THE IDF TERMED MASSIVE EGYPTIAN AIR ACTIVITY SUPPORTED OPERATIONS ON BOTH BANKS. BY END OF 24 OCT., HOWEVER, FIGHTING ON SOUTHERN PART OF SUEZ FRONT SEEMED TO HAVE TAPERED OFF WITH LITTLE CHANGE IN DISPOSITIONS OF FORCES DURING DAY. IDF FORCES WERE STILL AT ADABIYA, SOUTH OF SUEZ CITY, CUTTING OFF THE CITY AND THIRD ARMY FORCES ON THE EAST BANK. -THE NORTHERN PART OF THE SUEZ FRONT, CONTAINING ELEMENTS OF THE SECOND ARMY, REMAINED QUIET ON 24 OCT. FOLLOWING SYRIAN GOVT ACCEPTANCE OF THE CEASEFIRE, THE GOLAN FRONT WAS ALSO QUIET ON 24 OCT.

3. CEASEFIRE. AS EGYPT HAD DONE EARLIER, SYRIA ANNOUNCED IT ACCEPTED CEASEFIRE ON CONDITION THAT IT WOULD MEAN (1) COMPLETE ISRAELI WITHDRAWAL FROM ALL ARAB TERRITORY

OCCUPIED SINCE 1967 AND AFTER; (2) SAFEGUARDING THE LEGITIMATE NATIONAL RIGHTS OF THE PALESTINIANS IN ACCORDANCE WITH THE UN RESOLUTION; AND (3) ISRAEL ACCEPTED AND APPLIED THE CEASEFIRE RESOLUTION. EGYPT CALLED ANOTHER MEETING OF SECURITY COUNCIL ON EVENING 24 OCT. TO CONSIDER CHARGES OF ISRAELI VIOLATIONS OF CEASEFIRE. EGYPT SAID IT WOULD ALSO REQUEST COUNCIL TO CALL ON US AND USSR TO SEND FORCES OF THEIR OWN TO SUPERVISE AND INSURE CEASEFIRE. A WASHINGTON SPOKESMAN SAID USG DID NOT INTEND TO SEND ITS FORCES TO MIDEAST FOR THIS PURPOSE. UNTSO OBSERVERS LEFT CAIRO TO SET UP NEW OBSERVATION POSTS APPROVED BY ISRAELIS ON THE WEST BANK OF THE CANAL, BUT NO MOVES WERE REPORTED TO SET UP POSTS ON EAST BANK OF CANAL. SOME UNTSO POSTS CONTINUE TO FUNCTION IN GOLAN BUT THESE WILL HAVE TO BE MOVED AND MULTIPLIED TO COVER THE NEW CEASEFIRE LINE. ACCORDING TO OUR REPORTS, POPULAR REACTION TO CEASEFIRE WAS COOL BOTH IN ARAB COUNTRIES AND ISRAEL. IN SYRIA, WESTERN AMBASSADOR DESCRIBED PRESIDENT ASAD AS QUOTE IN TROUBLE WITH THE RADICALS UNQUOTE FOLLOWING SYRIA'S ACCEPTANCE OF CEASEFIRE. LEFTIST SYRIAN ELEMENTS, SUPPORTED BY FEDAYEEN AND LARGE IRAQI FORCES, SOUGHT CONTINUATION OF FIGHTING, AND PERHAPS ASAD'S OUSTER. SADAT'S POSITION IS ALSO REPORTED UNDER PRESSURE AS RESULT OF WIDESPREAD EGYPTIAN FEELING THAT ARABS COULD AND SHOULD CONTINUE THE FIGHT.

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4. MILITARY RESUPPLY. IN WASHINGTON THE DEPARTMENT SPOKESMAN ANNOUNCED USG WILLINGNESS TO DISCUSS WITH THE SOVIET UNION A REDUCTION OF EMERGENCY RESUPPLY EFFORT.

5. PRISONERS. USG CONTINUED ITS EFFORTS THROUGH ICRC TO SECURE EARLY AND COMPLETE EXCHANGE OF PRISONERS.

6. POLITICAL. IN WASHINGTON DEPARTMENT SPOKESMAN SAID THAT THERE IS NO QUOTE PRESCRIBED FORUM OR PRESCRIBED FORMULA UNQUOTE FOR NEGOTIATING PROCESS WHICH IS INTENDED TO FOLLOW CEASEFIRE.

7. OIL. EMBASSY JIDDA POINTS OUT THAT DESPITE NEARLY 25 PERCENT CUTBACK IN SAUDI OIL EXPORTS, RECENTLY DECREED RISES IN GULF OIL POSTED PRICES MEAN THAT SAUDIS WILL ACTUALLY INCREASE NET CURRENT INCOME BY DOLLARS 4-5 MILLION PER DAY. AMERICAN OIL COMPANY OFFICIALS REPORT THAT ONLY BY FOLLOW-THROUGH AND IMPLEMENTATION OF RESOLUTION 242 WILL THE SAUDIS BE PERSUADED TO LIFT THEIR PRODUCTION CUTBACKS AND EXPORT EMBARGO. IF THESE MEASURES DO NOT SUCCEED IN PRODUCING RESULTS, SAUDIS MAY GO FURTHER, INCLUDING NATIONALIZATION OF AMERICAN OIL INTERESTS IN KINGDOM. SAUDI OIL MINISTER YAMANI HAS TOLD

JAPANESE THAT THEY CAN ESCAPE A 14-15 PERCENT CUT IN SAUDI OIL SHIPMENTS TO JAPAN ONLY BY CUTTING DIPLOMATIC OR ECONOMIC RELATIONS WITH ISRAEL, SELLING ARMS TO ARAB STATES, OR BY LOBBYING INTENSIVELY WITH US ON BEHALF OF A SETTLEMENT OF THE MIDEAST CONFLICT QUOTE IN ACCORDANCE WITH THE UN RESOLUTIONS. UNQUOTE. KUWAIT AND QATAR HAVE FOLLOWED EXAMPLE OF ALGERIA AND IRAQ IN EMBARGOING OIL SHIPMENTS TO NETHERLANDS -- ESTIMATED AT 11 PERCENT OF TOTAL KUWAIT PRODUCTION. MEANWHILE, KUWAIT OIL WORKERS' THREE-DAY STRIKE AGAINST ANGLO-AMERICAN KUWAIT OIL COMPANY AND AMERICAN INDEPENDENT OIL COMPANY IS IN ITS SECOND DAY WITH ALL REFINING OPERATIONS AT A STANDSTILL. GOVT OF BAHRAIN HAS HALTED DELIVERIES BY CALTEX TO MSC TANKERS FOR US FORCES IN FAR EAST. UNITED ARAB EMIRATE PRESIDENT SHAIKH ZAYID HAS WARNED THAT IN ADDITION TO THE OIL EXPORT EMBARGO THE UAE MAY TAKE FURTHER STEPS AGAINST

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US ECONOMIC INTEREST.

8. LA SALLE INCIDENT. THE LA SALLE, A US MERCHANT SHIP RETURNING FROM RED SEA PORTS (INCLUDING JIDDA, WHERE CARGO FOR JORDAN WAS OFF-LOADED), WAS HALTED BY UNIDENTIFIED WARSHIP FIRING ACROSS LA SALLE'S BOW. DEPARTURE OF ADAMS, A COMIDEASTFOR DESTROYER, FROM DJIBOUTI TO ESCORT LA SALLE WAS STOPPED BY THE FRENCH PORT COMMANDER, WHO CITED NEED TO MAINTAIN NEUTRALITY THEIR TERRITORY. THE US NAVY IS PROTESTING THIS ORDER TO FRENCH PORT COMMANDER. THE LA SALLE IS NOW STEAMING FOR DJIBOUTI, REPORTEDLY WITHOUT DAMAGE OR CASUALTIES. THE ADAMS, WHEN IT SAILS, IS UNDER ORDERS TO CONVOY OTHER US MERCHANT SHIPS NOW NEAR DJIBOUTI INTO THE RED SEA. KISSINGER

NOTE BY OC/T: POUCHED ABOVE ADDRESSEE.

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