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DOS REVIEWED 09-Mar-2011: NO OBJECTION TO DECLASSIFICATION.

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OSD REVIEWED 08-Mar-2011: NO OBJECTION TO DECLASSIFICATION.

REFER TO CIA

SECRET/SENSITIVE EYES ONLY VIA SANDY CIRCUIT IMMEDIATE/WHP139
TO : GENERAL SCOWCROFT
FROM: AMBASSADOR EILTS

REFER TO DOS

CIA REVIEWED 09-Mar-2011: SANITIZED FOR RELEASE IN PART.

1. PLEASE PASS FOLLOWING TO THE SECRETARY.

REFER TO DIA

2. YOU WILL HAVE SEEN CAIRO'S 10056, DATED AUGUST 14, ON GDE INTENTIONS TOWARD LIBYA. IT IS THE PRODUCT OF AN INITIATIVE BY MY PERCEPTIVE POLITICAL SECTION, ESPECIALLY ARTHUR LOWRID AND APRIL GLASPIE, WHO SAT DOWN AND SOUGHT TO PUT TOGETHER THE VARIOUS PIECES OF AVAILABLE INFORMATION. THEY OBTAINED THE

DEPLOYMENTS TO THE LIBYAN BORDER AND ARE CONVINCED THAT THE EGYPTIAN MILITARY WOULD HAVE NO TROUBLE KNIFING THROUGH THE LIBYAN FORCES. WITH MORE AND MORE WORD COMING OUT ON THESE EGYPTIAN TROOP DEPLOYMENTS AND SOME RECENT RATHER FORTHRIGHT PUBLIC STATEMENTS FROM SADAT THAT HE WILL GET GADHAFI, THE AMERICAN PRESSMEN HERE NOW HAVE THEIR ANTENNAE OUT AND YOU MAY SEE SOME PRESS ARTICLES ON THE SUBJECT IN THE NEXT FEW DAYS. UNDERSTANDABLY, MY POLITICAL SECTION HAS CONCERNED THAT IT MUST ALSO PICK UP THESE ITEMS AND TRY TO ANALYZE THEM LEAST IT BE CHARGED WITH FAILURE TO RECOGNIZE THE SIGNIFICANT.

3. IN THE CIRCUMSTANCES, AND SINCE THIS WHOLE MATTER IS COMING OUT IN THE PRESS MORE AND MORE (OR AT LEAST ASPECTS OF IT), COULD NOT PERSONALLY STOP SUCH A TELEGRAM, DOING SO WOULD SIMPLY HAVE AROUSED SUSPICIONS. AS REQUESTED IN WASH 171, I DID INSIST IT GO EYES ONLY TO YOU, BRENT SCOWCROFT AND SECRETARY RUMSFELD, I COULD NOT SEND THE MESSAGE THROUGH THIS CHANNEL WITHOUT AROUSING SUSPICIONS THAT ANOTHER CHANNEL EXISTS.

4. THE MESSAGE IS A GOOD COMPENDIUM OF EGYPTIAN ATTITUDES AND CAPABILITIES. I DID SOME EDITING, BUT DID NOT WANT TO GO TOO FAR LEST MY PEOPLE SUSPECT I KNOW SOMETHING MORE. SUCH AN ANALYSIS IS PROBABLY

***** WHSR COMMENT *****

SCOWCROFT, HYLAND, MCFARLANE, ROOMAN

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***** S E C R E T *****

TIMELY. ALTHOUGH IT MAY BE DESIRABLE TO RESTRICT IT,
IT SEEMS TO ME THAT A FEW OTHERS LIKE ROY ATHERTON,
HAL SAUNDERS, BUSH, AND THE DIA DIRECTOR OUGHT AT
LEAST TO SEE IT. THIS, HOWEVER, IS A MATTER FOR YOU
TO DECIDE.

BT WARM REGARDS,
BT

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SECRET/SENSITIVE EYES ONLY VIA SANDY CIRCUIT IMMEDIATE/NHP139
TO : GENERAL SCOWCROFT
FROM : AMBASSADOR EILTS

1. PLEASE PASS FOLLOWING TO THE SECRETARY.
2. YOU WILL HAVE SEEN CAIRO'S 18936, DATED AUGUST 14, ON GOM INTENTIONS TOWARD LIBYA. IT IS THE PRODUCT OF AN INITIATIVE BY MY PERCEPTIVE POLITICAL SECTION, ESPECIALLY ARTHUR LOWRID AND APRIL GLASPIE, WHO SAT DOWN AND SOUGHT TO PUT TOGETHER THE VARIOUS PIECES OF AVAILABLE INFORMATION. THEY OBTAINED THE MILITARY ESTIMATE FROM MY DAD OFFICERS, WHO ARE WATCHING CLOSELY EGYPTIAN DEPLOYMENTS TO THE LIBYAN BORDER AND ARE CONVINCED THAT THE EGYPTIAN MILITARY WOULD HAVE NO TROUBLE KNIFING THROUGH THE LIBYAN FORCES. WITH MORE AND MORE WORD COMING OUT ON THESE EGYPTIAN TROOP DEPLOYMENTS AND SOME RECENT RATHER FORTH-RIGHT PUBLIC STATEMENTS FROM SADAT THAT HE WILL GET GADHAFI, THE AMERICAN PRESSMEN HERE NOW HAVE THEIR ANTENNAE OUT AND YOU MAY SEE SOME PRESS ARTICLES ON THE SUBJECT IN THE NEXT FEW DAYS. UNDERSTANDABLY, MY POLITICAL SECTION WAS CONCERNED THAT IT MUST ALSO PICK UP THESE ITEMS AND TRY TO ANALYZE THEM LEAST IT BE CHARGED WITH FAILURE TO RECOGNIZE THE SIGNIFICANT.
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***** WMSR COMMENT *****

SCOWCROFT, HYLAND, MCFARLANE, RODMAN

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TIMELY. ALTHOUGH IT MAY BE DESIRABLE TO RESTRICT IT,
IT SEEMS TO ME THAT A FEW OTHERS LIKE ROY ATHERTON,
HAL SAUNDERS, BUSH, AND THE DIA DIRECTOR OUGHT AT
LEAST TO SEE IT. THIS, HOWEVER, IS A MATTER FOR YOU
TO DECIDE.

5. WARM REGARDS.
BT

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FULL BACKING OF HIS OFFICER CORPS. IF HE DECIDED TO MOVE MILITARILY, WE THINK HE WOULD DO SO MASSIVELY IN ORDER TO AVOID GETTING ENTRAPPED IN A PROLONGED CONFLICT A LA YEMEN OR LEBANON. OTHER POSSIBLE OPTIONS PROBABLY BEING CONSIDERED THAT COULD BE EMPLOYED ALONE OR IN CONJUNCTION WITH DIRECT MILITARY ATTACK OR SUBVERSION PROBABLY INCLUDE SETTING UP OF LIBYAN GOVERNMENT-IN-EXILE AND AN EVEN MORE STRIDENT PROPAGANDA CAMPAIGN. SAUDI SUPPORT FOR DIRECT ACTION HAS BEEN OR WOULD BE SOUGHT BEFORE SADAT DECIDES ON A COURSE OF ACTION. HE MIGHT ALSO WISH US ASSURANCE THAT IT WOULD ACT TO COUNTER POSSIBLE SOVIET REACTION. ON OTHER HAND, SADAT PROBABLY BELIEVES ELIMINATION OF QADHAFI WOULD BE WIDELY APPROVED BOTH IN WEST AND AMONG MOST STATES IN REGION. END SUMMARY.

1. PROGRESSIVE DETERIORATION OF GOE-LIBYAN RELATIONS SINCE ABOUT JANUARY 1976 HAS REACHED POINT WHERE GOE POLICY MAKERS MAY BE CONTEMPLATING ACTION TO OVERTHROW QADHAFI. IN THIS CABLE, WE EXAMINE REASONS FOR THIS CHANGE IN GOE'S HERETOFORE RELATIVELY TOLERANT POLICY TOWARD QADHAFI; REVIEW EGYPTIAN CAPABILITIES AND OPTIONS; AND ATTEMPT TO ASSESS GOE INTENTIONS.

2. CHANGE IN GOE THINKING. SINCE THE OCTOBER WAR, SADAT HAS WRITTEN OFF QADHAFI AS IRREVOCABLY HOSTILE TO ANY CONSTRUCTIVE APPROACH TO THE PEACE SETTLEMENT. WHEN ASSASSINATION SQUADS TARGETTED ON GOE NOTABLES WERE FIRST DISPATCHED FROM TRIPOLI LAST SUMMER, GOE CONCLUDED QADHAFI HAD ALSO BECOME AN IRREVOCABLE AND POTENTIALLY DANGEROUS ENEMY OF THE SADAT REGIME. NEVERTHELESS, UNTIL EARLY 1976, WE DO NOT BELIEVE THERE WAS ANY GOE PLAN TO OUST HIM. IF THER WAS, IT PROCEEDED AT A LEISURELY PACE. THE REASONS FOR THIS RELATIVELY RELAXED GOE ATTITUED WERE, WE BELIEVE, AS FOLLOWS:

A. QADHAFI WAS NOT PERCEIVED AS A POTENT THREAT EITHER TO EGYPT'S FOREIGN POLICY OR DOMESTIC SECURITY. HE WAS A "CLOWN."

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B. SADAT VALUED HIS REPUTATION AS A NON-INTERFERER IN ARAB DOMESTIC AFFAIRS, A REPUTATION HE HAS PAINSTAKINGLY FOSTERED AND WHICH HE BELIEVES MADE THE OCTOBER WAR ARAB ALLIANCE POSSIBLE. NASSER'S INTERVENTIONIST TACTICS, NOW PROUDLY INHERITED BY QADHAFI, ARE, SADAT BELIEVED, STRATEGICALLY COUNTERPRODUCTIVE.

C. EGYPTIAN INTELLIGENCE UNTIL RECENTLY (TRIPOLI 992) ASSESSED QADHAFI'S SITUATION INTERNALLY AND EXTERNALLY AS BAD, BUT BELIEVED CIVILIAN OPPOSITION POWERLESS AND MILITARY DISSIDENTS CLOSELY AND EFFECTIVELY SURVEILLED. PROBABILITY OF A GENUINE INTERNAL COUP WAS CONSEQUENTLY REMOTE.

3. IN LAST FEW MONTHS, HOWEVER, WE HAVE BEEN TOLD AT HIGH LEVELS THAT QADHAFI MUST GO, AND THAT GOE "WILL GET HIM." THERE ARE SUPPORTING INDICATIONS THAT EGYPTIAN PLANNING TO SPEED HIS OUSTER ARE BEING ACCELERATED. SEVERAL REASONS FOR THIS CHANGE IN GOE THINKING CAN BE ADDUCED:

A. BOLDER LIBYAN SUBVERSION, WHILE AUGUST 8 BOMB ATTACK IN CAIRO WAS ONLY LATEST IN SERIES OF LIBYAN TERRORIST ACTIONS AND ASSASSINATION PLOTS, FACT THAT IT TOOK PLACE IN CENTRAL CAIRO AND WAS CLEARLY DIRECTED AT EGYPTIANS RATHER THAN LIBYAN EXILES HAVE CAUSED OUTPOURING OF PUBLIC AND OFFICIAL INDIGNATION (SADAT EXPRESSED HIS PERSONAL ANGER IN NO UNCERTAIN TERMS TO AMBASSADOR AUGUST 10). SUDDENLY, GOE IS FACED WITH APPARENTLY BOLDER LIBYAN TERRORISM OF A KIND WHICH IS NOTORIOUSLY DIFFICULT TO PREVENT. LARG IS NOW SEEN TO BE CONCRETE THREAT TO EGYPTIAN NATIONAL SECURITY, THE "CLOWN" IS NOW SEEN AS A DANGEROUS "LUNATIC."

B. SUBVERSION IN SUDAN. GOE OFFICIALS, INCLUDING SADAT, ARE CONVINCED THAT LIBYA ALONE IS NOT CAPABLE OF HAVING MOUNTED SUCH A WELL-ORGANIZED AND LOGISTICALLY COMPLICATED COUP ATTEMPT. THEY STRONGLY SUSPECT SOVIET

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GENERAL SCOWCROFT (WHITE HOUSE) AND SECRETARY RUMSFELD (DOD)

INVOLVEMENT, AT MINIMUM IN THE PLANNING, AND SADAT SAID AS MUCH IN EGYPT'S AUGUST 11 MESSAGE TO ARAB LEAGUE MEMBERS (CAIRO 10844). FURTHERMORE, IN EGYPTIAN EYES, COUP ATTEMPT WAS DIRECTED AS MUCH AT EGYPT AS SUDAN, GIVEN NUMAYRI'S STRONG SUPPORT FOR SADAT AND STRATEGIC IMPORTANCE OF SUDAN TO EGYPT. SPEED WITH WHICH GOE HAS CONCLUDED JOINT DEFENSE AGREEMENT WITH SUDAN, AND INCLUSION OF SAUDI ARABIA IN THE INFORMAL TRIPARTITE ENTENTE, REFLECT SERIOUSNESS OF GOE CONCERN, EGYPTIANS HAVE STRESSED TO SAUDIS THREAT THAT SOVIET-GADHAFI COLLUSION POSE FOR STABILITY OF REGION, INCLUDING EGYPT.

C. SUBVERSION IN NORTH AFRICA. GADHAFI'S USE OF ARMS TO SUPPORT POLISARIO (THROUGH ALGERIA) AGAINST MOROCCO AND RECENT LIBYAN THREATS AGAINST TUNISIA, BOTH OF WHICH ARE CLOSE TO SADAT, HAS AGNERED HIM AND IMPRESS UPON GOE THE CLEAR AND PRESENT NATURE OF THE GADHAFI THREAT.

D. SOVIET ROLE IN LIBYA. SOVIET PRESENCE AND ARMS BUILD-UP HAVE LONG TROUBLED GOE AND SADAT HAS SAID PUBLICLY THAT RUMORED \$12 BILLION WORTH OF SOVIET ARMS FOR LIBYA FAR BEYOND ITS NEEDS. MINWAR GAMASY HAS STATED PRIVATELY THAT THE ONE CONDITION THAT WOULD PROMPT EGYPT TO MOVE MILITARILY AGAINST LIBYA WOULD

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BE ESTABLISHMENT OF SOVIET BASE THERE (CAIRO 6411), CONTINUING ARMS DELIVERIES, BELIEF THAT SOVIETS WERE INVOLVED IN SUDAN COUP ATTEMPT, AND, MOST IMPORTANTLY, SADAT'S CONVICTION THAT SOVIETS' ULTIMATE OBJECTIVE IS TO OUST HIM HAVE GIVEN GREATER IMMEDIACY TO GOE CONCERN AS EVIDENCED BY EGYPTIAN MILITARY CONCENTRATIONS ON THE WESTERN BORDER OVER PAST SIX WEEKS.

E. THE TIME IS RIGHT--THE GOE HAS FOR SOME TIME BEEN IN TOUCH WITH RCC MEMBERS INSIDE AND OUTSIDE OF LIBYA. TWO OF THEM, MUHAYSHI AND AL-HUMI, HAVE, IN FACT, BEEN GIVEN ASYLUM IN CAIRO, UTILIZING THEIR ASSETS IN LIBYA, MAINLY THE LARGE NUMBER OF EGYPTIAN NATIONALS EMPLOYED THERE, GOE HAS TRIED TO KEEP CLOSE TASS ON QADHAFI'S POPULARITY. IT HAS SOUGHT, THROUGH ITS PROPOGANDA MACHINE AND BROADCASTS BY FORMER RCC MEMBER MUHAYSHI, FURTHER TO DISCREDIT QADHAFI. RIGHTLY OR WRONGLY, IT IS PERSUADED THAT QADHAFI'S POSITION HAS BEEN SERIOUSLY ERROED AND THAT MOST OF HIS SIGNIFICANT RCC COLLEAGUES (EXCEPT JALLUD) OPPOSE HIM. IF SOMETHING IS TO BE DONE ABOUT QADHAFI, THE GOE MAY WELL HAVE CONCLUDED THAT THIS IS THE TIME TO DO SO.

4. GOE HAS DETAILED EVIDENCE OF LIBYAN HAND IN SUDAN AFFAIR AND CAIRO BOMB ATTACK AND HAS EXPLOITED THESE INCIDENTS TO STIR UP PUBLIC INDIGNATION TO NEW PITCH. EDITORIAL WRITERS, ACTING UNDER HIGH-LEVEL GUIDANCE, HAVE FOR FIRST TIME SAID THAT EGYPTIAN PATIENCE IS EXHAUSTED AND QADHAFI MUST GO. ONLY NOT OF RESTRAINT IN PRESS CAMPAIGN IS THAT EGYPT WILL NOT RESORT TO QADHAFI'S METHODS IN ORDER TO SPARE LIBYAN PEOPLE (CAIRO 10651). ALL WRITERS HAVE MADE CLEAR DISTINCTION BETWEEN "LUNATIC RULER" AND LIBYAN PEOPLE. ANTI-QADHAFI CAMPAIGN HAS REACHED STAGE WHERE PUBLIC NOW EXPECTS SOME COUNTER ACTION, AND MAJORITY OF EGYPTIANS ALMOST CERTAINLY FEEL IT JUSTIFIED AND EVEN NECESSARY IN EGYPT'S OWN INTEREST. IN FACT, IF GOE FAILS TO TAKE SOME ACTION TO CURTAIL QADHAFI, IT RISKS A SENSSENING OF CONFIDENCE AND RESPECT AMONG ITS OWN PEOPLE, AS WELL AS OTHERS IN ARAB WORLD (AN ARAB

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"PAPER TIGER").

5. EGYPTIAN CAPABILITIES.

A. MILITARY. SENIOR EGYPTIAN OFFICIALS SCOFF AT INDIGENOUS LIBYAN MILITARY CAPABILITIES, BUT ARE AWARE OF SOVIET, YUGOSLAV, BULGARIAN AND PAKISTANI ADVISORS. EGYPT HAS RECENTLY ESTABLISHED A WESTERN AREA COMMAND AT MURSA MATRUH. FORCES UNDER THIS COMMAND ARE 2-3 BRIGADES OF ARMOR AND MECHANIZED FORCES, SOME COMMANDO FORCES, AIR DEFENSE FORCES INCLUDING SAM-2, SAM-3, AND SAM-6 AIR DEFENSE UNITS, TWO SQUADRONS OF MIG-21S, MI-8 HELO DETACHMENT AND AN ENGINEER GROUP. THE TOTAL FORCE NOW LOCATED IN THE EGYPTIAN WESTERN DESERT IS PROBABLY IN EXCESS OF 10,000 TROOPS. THIS FORCE IS MUCH STRONGER THAN REQUIRED TO DEFEND AGAINST ANY TYPE OF MILITARY ACTION FROM LIBYA. IT IS CLEARLY STRONG ENOUGH TO MAKE A DEMONSTRATION IN FORCE OR EXECUTE A LIMITED TYPE OF ATTACK IN TO LIBYA. HOWEVER, WITH REINFORCEMENT FROM THE ARMOR DIVISIONS OF ADDITIONAL TANKS AND APCS AND THE NECESSARY LOGISTICAL TRAIN, WE ESTIMATE THE FORCE COULD CROSS THE DESERT TO TRIPOLI IN FIVE DAYS, PROVIDED LIBYA OBTAINS NO SIGNIFICANT OUTSIDE SUPPORT AND EGYPTIANS DON'T STOP TO ENGAGE IN MAJOR BATTLES. THE MOST SERIOUS OPPOSITION WOULD PROBABLY BE FROM THE AIR FORCE ATTACKING THE EGYPTIAN COLUMNS; AND NEAR TRIPOLI IT MIGHT BE EXPECTED THAT THE LIBYANS WOULD ESTABLISH A SERIES OF DEFENSIVE POSITIONS. PRESUMABLY THE EGYPTIANS, SHOULD THEY ELECT TO ATTACK TRIPOLI, WOULD START THE ATTACK WITH A MAJOR AIR STRIKE THEREBY KNOCKING OUT MUCH OF THE LIBYAN AIR FORCE. UNDER OPTIMUM CONDITIONS, WE BELIEVE A MILITARY VICTORY COULD BE ACHIEVED IN ABOUT SEVEN DAYS BY A DETERMINED ARMOR ATTACK TO THE WEST SUPPORTED BY AIRBORNE COMMANDO AND/OR AMPHIBIOUS FORCES LANDING IN TRIPOLI AREA.

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EYES ONLY FOR SECRETARY KISSINGER DEPT REPEAT EYES ONLY
GENERAL SCOWCROFT (WHITE HOUSE) AND SECRETARY RUMSFELD (DOD)

B. SUBVERSIVE. EGYPTIAN CIVILIAN SECURITY
OFFICIALS CLAIM TO HAVE FEW ASSETS INSIDE LIBYA TO USE
AGAINST QADHAFI PERSONALLY, GIVEN TIGHT SECURITY AND
LOYAL TROOPS WITH WHICH HE SURROUNDS HIMSELF. HOWEVER,
GOE [REDACTED]

[REDACTED] ^{25x1} MANY OF WHOM THEY TRAINED, AND PRESUMABLY
MAINTAINED CONTACT WITH SOME OF THEM. NATURE OF GOE
CONTACT WITH LIBYAN MILITARY IS NOT KNOWN BY US, BUT
IF IT IS SUFFICIENT TO MOUNT AN [REDACTED] ^{25x1} OR
AN INTERNAL [REDACTED] ^{25x1} THIS WOULD
APPEAR TO BE MOST ATTRACTIVE OPTION WITH LEAST RISK.
WHILE THERE ARE STILL AN ESTIMATED 250,000 EGYPTIANS
IN LIBYA, THEY ARE MAINLY WORKERS AND AT BEST CAN BE
USED FOR SOME [REDACTED] ^{25x1}. EGYPT HAS THE
CAPABILITY TO MOUNT COMMANDO-TYPE RAIDS ON LIBYAN
INSTALLATIONS OR TO ENGAGE IN BOMB ATTACKS, BUT
SINCE THESE WOULD NOT GET AT QADHAFI PERSONALLY--AND
WOULD RISK STRENGTHENING HIM WITH LIBYAN PEOPLE--THEY
ARE UNLIKELY TO BE EFFECTIVE. FURTHERMORE, ANY SUCH
SUBVERSIVE ACTIONS WOULD REQUIRE A REVERSAL OF A MAJOR
TENET OF SADAT'S ARAB POLICY, WHICH HAS BEEN BASED ON
ACHIEVEMENT OF ARAB UNITY AGAINST ISRAEL THROUGH
PERSUASION AND NON-INTERFERENCE IN OTHER'S INTERNAL
AFFAIRS.

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C. POLITICAL. LIBYAN EXILES IN EGYPT, NOTABLY FORMER RCC MEMBERS UMAR MUHAYSHI AND ABUUL MUNIM AL-HUNI, PROVIDE POTENTIAL LEADERS FOR AN ANTI-QADHAFI POLITICAL MOVEMENT AROUND WHICH A GOVERNMENT-IN-EXILE COULD BE CREATED TO OPERATE EITHER FROM EGYPT OR PUT INTO PLACE QUICKLY IN LIBYA. GOE IS CONVINCED THERE ARE MANY ANTI-QADHAFI MILITARY AND CIVILIAN ELEMENTS IN LIBYA THAT WOULD RALLY AROUND SUCH AN ANTI-QADHAFI MOVEMENT IF IT HAD A CHANCE OF SUCCESS. GOE COULD ALSO STEP UP FULL SCALE ANTI-QADHAFI PROPAGANDA CAMPAIGN IN THE MEDIA AND OPEN ONE IN INTERNATIONAL ORGANIZATIONS. HOWEVER, SUCH EGYPTIAN CAMPAIGNS (E.G., LEBANON) HAVE BEEN MARKEDLY UNSUCCESSFUL BY THEMSELVES. WE WOULD, HOWEVER, EXPECT SUCH A CAMPAIGN TO PRECEDE MORE SUBSTANTIAL ACTIONS THAT MAY BE CONTEMPLATED. WE COULD ALREADY BE WITNESSING THE BEGINNING OF THIS CAMPAIGN.

6. OPTIONS.

A. MILITARY. EVEN WITH CURRENT FORCES IN THE WESTERN DESERT, EGYPT HAS A VALID MILITARY OPTION. BARRING OUTSIDE INTERVENTION, IT COULD, WITH REINFORCEMENTS, SUCCESSFULLY MOUNT A FULL SCALE ATTACK AS FAR AS TRIPOLI UNDER FAVORABLE CONDITIONS. FAVORABLE CONDITIONS WOULD INCLUDE MINIMAL LIBYAN ARMY RESISTANCE, WHICH MIGHT RESULT IF LIBYANS CONVINCES SOLE PURPOSE OF INVASTION WOULD BE TO REPLACE QADHAFI WITH A NEW LIBYAN GOVERNMENT. HOWEVER, UNLESS QADHAFI SUPPLIES GOE WITH PLAUSIBLE JUSTIFICATION FOR MASSIVE MILITARY ACTION (WHICH EGYPTIANS MIGHT TRY TO PROVOKE), IT IS DIFFICULT TO ENVISAGE EGYPT UNDERTAKING OVERT AGGRESSION. A FACTOR FAVORING THE MILITARY OPTION IS THAT THE MILITARY FORCES OF LIKELY QADHAFI SUPPORTERS ARE FULLY ENGAGED ELSEWHERE (ALGERIA WITH MOROCCO, SYRIA WITH IRAQ IN LEBANON AND WITH EACH OTHER). LIBYA, IT WOULD APPEAR, COULD COUNT ON LITTLE CONCRETE MILITARY SUPPORT FROM RADICAL ARABS WHO PERCEIVE THAT THEIR OWN REGIMES WOULD BE ENDANGERED BY QADHAFI'S DISAPPEARANCE. THERE ARE AT LEAST TWO MAJOR FACTORS WHICH ARGUE AGAINST THE STRICTLY MILITARY OPTION; REACTION OF THE USSR AND ATTITUDE OF EGYPTIAN MILITARY.

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(1) USSR. WITH ITS DWINDLING ASSETS IN THE ARAB WORLD, SOVIETS HAVE ATTEMPTED TO EXPLOIT RELATIONSHIP WITH QADHAFI FOR THEIR OWN DESIGNS AND WE ASSUME THEY WOULD DO EVERYTHING FEASIBLE TO ASSIST QADHAFI IN INTERNATIONAL FORUMS AND WITH PROPAGANDA. EGYPTIANS, HOWEVER, SEEM TO BELIEVE SOVIETS WOULD NOT REACT MILITARILY. THE PRESENCE OF APPROXIMATELY 500 SOVIET MILITARY TECHNICIANS IN LIBYA WHO COULD BE CAUGHT UP IN FIGHTING IS SOMETHING GOE MUST CONSIDER. AT MINIMUM, WE WOULD EXPECT GOE TO FEEL OUT US ABOUT OUR REACTION BEFORE TAKING DIRECT MILITARY ACTION THAT RISKS A SOVIET MILITARY REACTION.

(2) ATTITUDE OF EGYPTIAN MILITARY. GIVEN THE SUSPECTED DEGRADATION OF EGYPT'S MILITARY PREPAREDNESS AND UNANIMOUS BELIEF THAT EGYPT'S PRINCIPAL ENEMY IS ISRAEL, SADAT WOULD WANT TO BE VERY CERTAIN THAT ANY MILITARY ACTION HAD FULL BACKING OF HIS OFFICER CORPS. WE HAVE ALREADY RECEIVED ONE REPORT OF A FEW OFFICERS GRUMBLING OVER BEING STATIONED ON WESTERN AS OPPOSED TO EASTERN FRONT. CURRENT ANTI-QADHAFI PRESS CAMPAIGN COULD WELL BE AIMED AT CONVINCING MILITARY (AS WELL AS PUBLIC) THAT ADEQUATE JUSTIFICATION ALREADY EXISTS. THE STRIDENCY OF GOE REACTION TO FUTURE QADHAFI ACTIONS SHOULD BE AN IMPORTANT INDICATOR OF GOE INTENTIONS. UNTIL VERY RECENTLY, GOE HAS MAINTAINED THAT ITS TROOP CONCENTRATIONS IN THE WEST ARE STRICTLY FOR DEFENSIVE PURPOSES IN RESPONSE TO CONFIRMED LIBYAN BUILD UP NEAR BORDER. HOWEVER, LEAD STORY IN CAIRO'S MAJOR DAILY AUGUST 13, REPORTING REINFORCEMENT OF EGYPTIAN FORCES ON THE WESTERN AND NORTHWESTERN BORDER, GOES FURTHER. TROOPS ARE THERE "TO PROTECT EGYPT'S BORDER AND PREVENT SABOTEURS FROM INFILTRATING," BUT MILITARY SPOKESMAN WARNED EGYPT WILL PREPARE FOR WHATEVER MEASURES NECESSARY TO PROTECT EGYPT AND ITS PEOPLE, AND "ALSO PROTECT LIBYA AND LIBYAN PEOPLE." QADHAFI WAS ALLEGED TO BE RECRUITING

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ANOTHER POSSIBILITY IS AN AIRBORNE RAID ON TRIPOLI OF BRIGADE SIZE DESIGNED TO DESTROY QADHAFI AND HIS GOVERNMENT AND AVOIDING POSSIBLE LARGE SCALE BATTLE ON THE BORDER. THIS WOULD, HOWEVER, PROBABLY REQUIRE NEUTRALIZATION OF AIR DEFENSES ALONG THE ROUTE AND ASSUMES RELATIVELY LIGHT OPPOSITION IN TRIPOLI.

C. POLITICAL OPTION. GOE COULD SET UP GOVERNMENT-IN-EXILE HEADED BY MUHAYSHI AND AL-HUNI AND LAUNCH FULL SCALE PROPAGANDA CAMPAIGN, COMBINED WITH FLOW OF SAUDI FUNDS TO POTENTIAL DISSIDENTS INSIDE LIBYA, TO ENCOURAGE LIBYAN ARMY TO MOVE. THERE IS REASON TO BELIEVE THAT FORMATION OF GOVERNMENT-IN-EXILE WAS CONTEMPLATED BY EGYPT LAST MAY BUT WAS REJECTED (CAIRO 7652), PROBABLY BECAUSE IT WAS THOUGHT PREMATURE AND WOULD ALERT QADHAFI TO TAKE DRACONIAN ACTION AGAINST POTENTIAL DISSIDENTS. NOW, HOWEVER, GOE MAY BELIEVE TIME IS RIPE FOR GOVERNMENT-IN-EXILE. THIS OPTION WOULD ENTAIL LEAST RISK OF ALL, BUT ALONE WE THINK IT UNLIKELY TO BE EFFECTIVE AGAINST A REGIME SUCH AS QADHAFI'S AND GOE HAS PROBABLY COME TO SAME CONCLUSION.

D. COMBINED MILITARY-POLITICAL OPTION. GOE COULD SEIZE A PORTION OF LIBYAN TERRITORY IN REACTION TO NEXT QADHAFI OUTRAGE AND REMAIN IN TERRITORY LONG ENOUGH TO TEST REACTION INSIDE LIBYA. AT SAME TIME IT COULD MOVE GOVERNMENT-IN-EXILE TO LIBYAN TERRITORY AND SET IT UP AS RALLYING POINT FOR ANTI-QADHAFI FORCES. WHILE SUCH A MOVE CONTAINS GREATER RISK OF FAILURE AND ACCUSATIONS FROM NUMEROUS QUARTERS OF DIRECT INTERFERENCE IN LIBYA'S INTERNAL AFFAIRS, IT HAS THE ATTRACTION OF ENCOURAGING A LIBYAN MOVEMENT WITH MILITARY FORCE TO DEMONSTRATE ITS SERIOUSNESS. UNLESS IT SUCCEEDS IN TOPPLING QADHAFI IN FIRST FEW DAYS, HOWEVER, IT CARRIES SAME DANGER OF LONG INVOLVEMENT WITHOUT DECISIVE RESULTS.

E. SUBVERSION. SINCE GOE'S TARGET IS QADHAFI AND NOT LIBYAN PEOPLE, NOR EVEN THE ARMY OR SECURITY FORCES, SUBVERSIVE ACTIVITIES SUCH AS BOMBINGS AND HARRASSMENT COULD RISK STRENGTHENING QADHAFI MORE THAN

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WEAKENING HIM. FURTHERMORE, THEY WOULD UNDERCUT GDE LINE THAT CLEARLY SEPARATES LIBYAN PEOPLE FROM THEIR "LUNATIC" RULER. WHILE EXTENT OF GDE ASSETS INSIDE LIBYAN MILITARY ARE QUESTIONABLE, ENCOURAGEMENT OF ASSASSINATION OR MILITARY COUP BY RCC MEMBERS WOULD, IF SUFFICIENT GDE CAPABILITY EXISTS, CERTAINLY BE MOST PAINLESS WAYS TO OUST QADHAFI. IF GDE HAS SUCH A CAPABILITY, THE QUESTION IS WHY HASN'T IT MADE USE OF IT EARLIER. A COUP ATTEMPT, COUPLED WITH EGYPTIAN MILITARY ACTION TO GIVE COURAGE AND PROTECTION TO PERPETRATORS, WOULD BE AN ATTRACTIVE OPTION.

7. GDE INTENTIONS. GDE HAS SOME TIME BEEN PREPARING CONTINGENCY PLANS FOR ACTIONS AGAINST LIBYA, BUT UNTIL RECENTLY THERE WERE FEW INDICATIONS THAT A DECISION TO TAKE DIRECT ACTION WAS NEAR. NOW SOME OF THOSE INDICATIONS ARE PRESENT, NOTABLY THE PRESS CAMPAIGN VIOLENTLY ATTACKING QADHAFI AND IMPLICATING SOVIETS AND THE ANGRY REACTION OF SADAT AND SENIOR SECURITY OFFICIALS TO THE AUGUST 8 BOMBINGS. WE BELIEVE SOME GDE MOVE IS LIKELY. ALTHOUGH GDE HAS PUBLICLY IGNORED QADHAFI'S THREAT TO SEVER DIPLOMATIC RELATIONS ON SEPTEMBER 1, IS SENDING ITS NEW AMBASSADOR TO TRIPOLI IN THE NEXT FEW DAYS, AND PEOPLES ASSEMBLY SPEAKER SAYID MARI RECEIVED NEW HEAD OF LIBYAN RELATIONS OFFICE AMBASSADOR ABDUL QADIR GHOKA AUGUST 12, ALL OF THESE MOVES COULD BE A RUSE TO REASSURE QADHAFI OF CONTINUING EGYPTIAN PASSIVITY.

8. IN ALL OPTIONS OUTLINED ABOVE, WE THINK A KEY TO EGYPTIAN THINKING MUST LOGICALLY BE THE REMOVAL OF 25x1, PREFERABLY BY A LIBYAN WITH REVOLUTIONARY CREDENTIALS. IF THIS WERE TO MATERIALIZE, GDE THINKS LARG WOULD CRUMBLE. HOWEVER, GDE CAPACITY TO MOUNT EITHER 25x1 OR MILITARY

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IS ABROAD SINCE, IN GQE VIEW, THEREWOULD THEN BE LITTLE OPPOSITION TO HIS REMOVAL, HOWEVER, TO BEST OF OUR KNOWLEDGE GADHAFI NOT ATTENDING NAC IN COLOMBO AND HE RARELY LEAVES LIBYA THESE DAYS.

10. OTHER OPTIONS OPEN TO GQE ARE CONSIDERABLY LESS ATTRACTIVE, BECAUSE THEY ARE UNLIKELY TO SUCCEED IN THE SOLE OBJECTIVE OF EGYPTIAN STRATEGY WHICH IS TO 25x1 FORMATION OF A GOVERNMENT-IN-EXILE AND PROPAGANDA CAMPAIGNS ARE UNLIKELY ALONE OR TOGETHER TO BE EFFECTIVE AND LIMITED MILITARY ACTION RISKS INTERNATIONAL OPPROBRIUM AND A DRAWN OUT INVOLVEMENT ON, FOR THE EGYPTIAN MILITARY, THE WRONG FRONT.

11. IMPLICATIONS FOR US, AS IN PAST, SADAT IS LIKELY TO MAKE HIS DECISION ON THE BASIS OF EGYPT'S STRATEGIC INTERESTS. THE ATTRACTION OF A FRIENDLY GOVERNMENT IN LIBYA AND THE ELIMINATION OF SOVIET PRESENCE THERE (GIVEN SADAT'S PERCEPTION THAT IT IS A THREAT TO HIM), AS WELL AS ACCESS TO LIBYAN OIL WEALTH, ARE POWERFUL INCENTIVES PUSHING SADAT TOWARD DECISIVE ACTION. IF THESE GOALS COULD BE ACHIEVED, IT WOULD BE VERY MUCH IN US INTERESTS AS WELL AS THOSE OF WESTERN EUROPE. SADAT SURELY KNOWS THIS AND PROBABLY HOPES HE CAN COUNT ON US TO COUNTERACT SOVIET MOVES.

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NOTE: NOT PASSED WHITE HOUSE AND DOD BY OC/T.

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E.O. 11652: GDS

TAGS: GPHY, OSCI, EG

SUBJECT: FAHMY REQUEST FOR ADDITIONAL FUNDS FOR FAITH AND HOPE SOCIETY

REF: (A) CAIRO 9962; (B) CAIRO 8194

1. IF FAHMY AGAIN RAISES THE SUBJECT OF ADDITIONAL FUNDS FOR THE FAITH AND HOPE SOCIETY, YOU SHOULD SAY THAT WE CONTINUE TO WISH MRS. SADAT WELL WITH THIS WORTHY PROJECT, THOUGH WE DO NOT HAVE ANY RECORD OF A FURTHER COMMITMENT ON OUR PART BEYOND THE 10 MILLION DOLLARS IN EGYPTIAN POUNDS ALREADY CONTRIBUTED. AS FAHMY WILL APPRECIATE, WERE WE TO CONSIDER MAKING ADDITIONAL FUNDS AVAILABLE, WE WOULD BE OBLIGED BY OUR OWN PROCESSES TO OBTAIN THE USUAL INFORMATION ABOUT THE STATUS OF THE PROJECT, THE USE OF FUNDS AND FUTURE PLANS. THE FACT THAT FURTHER CONTRIBUTION WOULD INVOLVE CONGRESSIONAL CONSULTATION AND APPROVAL BY THE OFFICE OF MANAGEMENT AND BUDGET MAKES IT ALL THE MORE NECESSARY FOR US TO GATHER THIS STANDARD INFORMATION. AS

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YOU HAVE TOLD FAHMY, A NEW ANNUAL REPORT ON THE SOCIETY'S ACTIVITIES AND ON ITS FINANCES WOULD BE VERY IMPORTANT IN THIS RESPECT. WE ASSUME THAT MRS. SADAT IS AWARE OF SOME OF THE QUESTIONS THAT WOULD BE OF INTEREST TO US, SINCE JOE TRAUB, IN ENDING HIS PERIOD AS ADVISOR TO THE SOCIETY,

HAS DISCUSSED WITH HER IN SOME DETAIL THE PRINCIPAL MANAGEMENT ISSUES AFFECTING THE SOCIETY.

2. FYI: WE LOOK FORWARD TO THE EMBASSY'S RECOMMENDATIONS CONCERNING POSSIBLE FURTHER U.S. ASSISTANCE TO THE PROJECT (CAIRO 9962, PARA. 9). KISSINGER

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As I invite you to the concentration of many important issues on our agenda, I am reminded of the work of one of the greatest philosophers and religious teachers of the world, the Buddha, who in the course of his final discourse to the world said: "If we can meet together in concord and rise in concord and act upon decisions in concord, so long may we be expected not to decline but to prosper." I can do no better than to leave you with this thought, for in many ways it sounds like the philosophy of nonalignment itself with its tenets of peace, tranquility, goodwill and cooperation. It is also a clear enunciation of the most basic principle that should govern the conduct of human relations. At this conference we hope to write a new chapter in human history, and I have confidence that this new chapter will be one of greater promise for all of humanity. Thank you.

EGYPT'S AS-SADAT SPEAKS ON OPENING DAY OF SUMMIT

Cairo MENA in Arabic 1930 GMT 16 Aug 76 JN

[Text of speech by President as-Sadat at Colombo Nonaligned Conference on 16 August]

[Text] Colombo, 16 August--President Anwar as-Sadat made an important 45-minute speech today at the evening session of the fifth nonaligned summit conference. The following is the text of the speech:

Mrs Chairman of the conference, brother heads of state: It gives me pleasure to begin my speech by offering sincerest congratulations to Mrs Bandaranaike on the occasion of being unanimously elected chairman of this conference held in the capital of a friendly country, which was one of the first countries to pursue the course of nonalignment and which has remained faithful to it and to its principles over the years. I would like to extol the great efforts she has made in the preparation for this conference and in providing all means of for its success.

Allow me to extend a heart-felt greeting to the friendly Sri Lanka people and Government from the Egyptian people, who harbor the deepest feelings of friendship and respect for Sri Lanka and its leadership and who are linked to it with the closest relations of cooperation and fraternity and joined with it in the march of nonalignment--about which Egypt is most enthusiastic as a philosophy, policy and movement. We still remember with appreciation the historic role played by the great late leader Bandaranaike, who was one of the first pioneers of the movement, establishing its foundations and the cornerstone in its structure.

I am sure that all of us agree in praising the excellent efforts made by brother President Houari Boumediene in shouldering the burden of chairing this grouping throughout the past years. He has taken every opportunity to raise the banner of nonalignment. In every international event, nonalignment has played a prominent role and has been an important factor.

It is worthwhile for us at these moments to recall the credit due to the two great late leaders, Jawahar Lal Nehru and Jamal 'Abd an-Nasir, who were devoted to nonalignment and to making its bases firm. They had the change to participate in all of this with President Tito, who is the greatest symbol of the nonalignment movement in his wisdom and courage and in the authenticity of his commitment.

It also gives me pride to greet the friendly countries which are attending our conference for the first time after having chosen the course of nonalignment, after achieving their independence and liberating their will. In fact it is a significant phenomenon that no one can ignore or overlook.

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Nothing undermines the human spirit as much as unemployment, which in effect renders thousands of human beings useless and irrelevant to their own societies. The proposed bank could contribute in the vital field of employment, acting as a catalyst in generating greater trade in industry.

Your majesties, your highnesses, your excellencies, ladies and gentlemen: I would like to take this opportunity to address a brief message to the developed nations. At non-aligned gatherings we have often concentrated our attention on our own problems. This is only natural. As the ties that bind us together are our common problems, so is our common search for solutions to them, shared aspirations and the recognition of the value of cooperation in the realization of these aspirations. This does not, however, mean that the nonaligned are a mixed movement of an inward-looking cult, preoccupied with themselves alone. We are concerned for world peace and for the weak and the oppressed everywhere. We are interested in the search for a new world order based on equity and justice, and to emphasize world-wide cooperation is proof enough of our universalist outlook.

The nonaligned movement does not constitute a new bloc. It is in the atmosphere of fear and distrust that the system of power blocs took root, and the distinguishing feature of nonalignment is its rejection of such concepts. The determination that the nonaligned will not become a new bloc was reiterated by practically every leader at the very first summit in Belgrade. A movement which was founded on categorical rejection of the system of power blocs and confrontation cannot itself become a new bloc to confront the old bloc. Perhaps the only reason for the existence of the movement and its growing vitality is that it answers all compelling needs of peoples all over the world for a new outlook on life, a new set of values based on mutual understanding of social awareness, equality and justice in place of the old values [words indistinct].

If anything, nonalignment is a creative and constructive philosophy, and the world is all the better for it. I declare most emphatically that the nonaligned do not consider any nation or any peoples as their enemies. [applause]

The fight has always been, and will always be against injustice, intolerance, and inequality and all concepts of empire, intervention and dominance and all [words indistinct] attributes of any nation however powerful it may be, exclusive authority or responsibility for peace and stability in the world. [applause] such concepts are irrelevant as we approach the 21st century and, therefore, we shall continue to avoid them. This is a universal right and the responsibility: for it must be universal. If the nonaligned have shown cohesion and unity in forging a new world order, it was not a unity forged for the purpose of confrontation, but a search for [words indistinct] and ideological barriers in a spirit of international understanding, cooperation and mutual help. It is also a unity born of dire necessity and compelling needs.

Nonalignment stands for unity and diversity and independence and interdependence. We unite: we invite all nations which value these goals and have committed themselves to our principles to join this universalist and humanist venture designed to give international relations the quality of essential human dignity. Your majesties, your excellencies, ladies and gentlemen: The nations represented in this assembly are the heirs to great and ancient civilizations and cultures, and are beneficiaries of teachings of all the major religions of the world founded on peace, compassion and tolerance.

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All the countries that have regained their freedom in recent years have accepted non-alignment as a creed to govern their goals on the international level, as a philosophy to inspire their policies and as a framework to define their course or method of dealing with various forces. It is enough to say that our glorious African continent was represented in our first conference in Belgrade in September 1961 by 11 states, but now we find 48 African countries occupying seats in this hall. This means that the nonalignment banner is flying over all the African states that have gotten rid of colonialism and imperialism. In fact it is a collective vote of confidence by the people who have been liberated--confidence in their principles and in our policy and movement.

We are happy to see among us today brothers representing the fraternal peoples of Mozambique, Guinea-Bissau, Cape Verde, Sao Tome, Principe, Comoro, Angola, Seychelles, the Socialist Republic of Vietnam and the DPRK.

We are also lucky that our conference is the first in which the PLO enjoy full membership. This is a positive development on the right path both in regard to the PLO, which has proven the validity of its representation of a struggling people, who are waging a fierce battle against the forces of colonialism and racism, and also in regard to the nonalignment movement and its insistence on adhering to its principles, on fulfilling its commitments and on shouldering its responsibilities for the adoption of the cause of struggle and liberation--an indivisible cause.

Mrs chairman, brother colleagues: I do not exaggerate when I assert that this is one of the most important conferences in the history of the movement in view of the stage through which our contemporary world is passing and the new changes which govern international relations, or in view of the challenges which are facing us, either singly or in groups, and the deep changes in quality and quantity through which the nonaligned family has passed in recent years.

Before continuing toward reaching a joint vision of how matters should be and of the course which our joint march should take, it behooves us--in order to avoid moving in a vacuum--to take a close look at the record of our past achievements. By doing this we can scientifically and objectively find the points of strength and weakness in our movement, the aspects of negligence in our performance, and the means to give the movement a new efficacy which would rejuvenate it and cure the negative aspects and impediments and which is possible because of experience and practice.

I do not mean by this that we should remain captives of the past or stop developing. The statutes of the movement enjoin us to recognize reality-- not to consecrate it but to change and develop it in a way compatible with new facts, situations, and concepts which surface every day. Thus, we view the past not as a fetter to our freedom or a wall which cannot be scaled but as a source for a moral and a lesson, as well as a starting point for a better future.

It is not logical or acceptable for the nonaligned movement to remain a prisoner of concepts which dominated this movement in the fifties and sixties. The great dynamism of the international political reality, the huge and constant reactions of the forces which move this reality, and the emergence of numerous influences and changes which did not exist then enjoin us these days to undertake a drastic review of these concepts and the results which ensued. If the world around us is changing and developing-- and this is a firm undeniable fact and a law of nature--then it is illogical for us not to move and develop.

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Otherwise we will be overtaken by events, we will squander our resources in an attempt to keep pace with developments, and the gap between hope and performance will widen.

The first thing that we must take note of in this respect is that our movement was born during the peak of the Cold War and the bilateral polarization between two blocs which struggled about everything and believed that any gain made by one was a loss to the other. Consequently, the two blocs engaged in an arms race for the possession of the means of destruction and war which would guarantee either of them supremacy and the power of deterrence. The two conflicting blocs viewed the Third World states as mere tools in their struggle and elements of rivalry in gaining zones of influence.

Our states and peoples rightly felt that this situation constituted a grave threat to their security without their having a role worth mentioning in directing or governing the course of events or in providing any guarantee for their interests. It also threatened to thwart their political independence and the strength of their national sovereignty. For these reasons, the pioneers of our movement--thanks to their foresight and piercing historic vision--decided that the Third World states must rally their ranks in confronting these two blocs and move on the international stage in accordance with laws and regulations which would protect them from the shrapnel of the Cold War, and also transform them from a tool in the game of the big powers into an effective and influential force which enjoys a concrete role in determining policies and the balance of power.

By standing outside the circle of military alliances and zones of influence, these states realized that they were fully capable of controlling the balance of power and defending their security and interests from the outside world. Furthermore, they realized that their cooperation with one another, remote from the two blocs and the power struggle, would reflect positively on the process of the economic development, which was the dream of the Third World and the hope to which it clung.

In brief, the nonaligned countries at that time were joined by common interests represented in achieving peace, saving the world from the ordeals of war, combating colonialism and racism in all their traditional and new forms, emerging from economic backwardness, and struggling for the achievement of better conditions for all.

Despite the ferocious challenges it faced, and the obstacles placed in its path, our movement managed to achieve certain accomplishments permitted under the conditions of that time. The movement played a tangible role in overcoming the perils of the Cold War, in easing international tension, anchoring the principles of peaceful coexistence, liquidating colonialism and combating racial discrimination, in addition to deepening the concept of democracy in international relations and in the determination of the right of all countries to take part in laying down and developing the principles of international relations. All of these are great accomplishments, viewed in accordance with the criteria of the time in which they took place and under the then prevailing concepts.

But the world, as I said, is in a constant state of change, One of the characteristics of the age in which we are living is that change has come with fantastic speed and there is no allowance for slowing down or for standing as a spectator because every hour that passes without positive movement is a setback and not merely time wasted and squandered.

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Our movement must therefore proceed with a speed that is in harmony with the tempo of the age and with the fearful pace of development in various domains, foremost of which are science and technology. It suffices for us to remember that the scientific information available in the various branches of natural science is doubling once every 15 years. This is a phenomenon which we must not overlook in our calculations if we really want to catch up with the caravan of progress and forward development.

One of the changes in the world arena is that development which took place in the relations between the two blocs, specifically in the relations between the United States and the Soviet Union, which gradually and with steady steps proceeded toward relaxation and detente. Thus the aim of the two sides is no longer to destroy the other side or to inflict crushing defeat but to arrive with the other side at compromise solutions in which the two sides exchange concessions. This means that these two countries have come to pay attention, in the first place, to arranging relations between them to achieve for themselves maximum reciprocal benefits and interests. To the extent that detente eases tension and expels the specter of nuclear war, it will be a positive phenomenon which we welcome. We have been the first to seek the end of the cold war and to call for an era of cooperation and solidarity among nations and peoples, with a view to dealing with the massive problems resulting from the increase in population which exceeds the average production increases, especially food, and with a view to securing a reasonable level of education and health and social care for every child throughout the world--all of this under a new international system free from exploitation and domination.

But detente as it is understood and applied up to now carries within itself certain negative elements which cause us to pause and follow them with careful observation, because if we overlook them we will be ignorant of what is taking place around us and remiss toward ourselves and the future generations. The first of these negative elements connected with detente is that the two superpowers do not regard it as a new program governing international relations in general but as a special arrangement for controlling and directing relations between them toward greater bilateral cooperation, while maintaining rivalry for spheres of influence and for furthering the selfish interests of each in the various parts of the world. We still hear statements about the areas in which this or that power claims it has historic or traditional rights which place it apart from the other power. There is in such talk retrogression and retreat to obsolete concepts. We must not be merely content with rejecting these concepts; we must face up to and tackle them with firmness and toughness.

When Egypt and the Arab nation with it faced the agreement of the two superpowers to impose the so-called state of military relaxation on the Middle East area after the meeting of the two countries in May 1972, which meant the perpetuation of the occupation of our territories and freezing the Middle East problem, I did not hesitate to adopt the decision dictated to me by my sense of weighty responsibility and loyalty to the Egyptian people's right and the right of all the peoples of the Third World to lead a free and dignified life.

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There is nothing more eloquent in expressing this situation than what our great friend Tito--to whom our movement owes so much and with whose name it will always remain associated--said a few days ago: That detente is still confined to certain areas in the world, that most countries have not yet felt the results of international detente, and that certain big powers use detente to cover up for creating spheres of influence and legalizing their interference in the internal affairs of other countries, even interfering blatantly. In evidence of this we find that the arms race is continuing and interference in the internal affairs of other countries has begun to take new forms which are extremely dangerous. The fleets of the big powers, armed to the teeth with devastating arms, are roaming the seas near our coasts in the Mediterranean and the Indian Ocean. This makes us feel that our national security is not a consideration on which the big powers dwell very much.

Moreover, the big powers resorted to settling certain international problems unilaterally without resorting to international organizations in which the Third World countries play an active role. This course will result in undermining the role of nonalignment in settling international questions. This concerns the relationship among the big powers and its reflections on international policy in general. On the other hand there are changes that might be connected with it, or independent of it, to which the Third World countries and their movement were exposed on the international level and which we must review with a spirit of fraternal frankness and honesty dictated by huge responsibility. This is so because we cannot otherwise see where we are stepping and analyze our method of behavior. We also cannot draw up a course for the future except through the experiences we have encountered and the struggle we have waged over the years. In this respect I highlight the following:

1. The increase in the number of the nonaligned states was not accompanied by a similar or approximate increase in the effectiveness of the movement, or in its ability to influence the course of events. Specifically, the increase in quantity has not been translated into an appropriate increase in quality.
2. The nonalignment movement has been tinged with the characteristics of slogans which dominated the peoples; struggle in the period that followed World War II as a means to mobilize the masses for independent self-assertion and distinguishing identity. If this phenomenon was a justifiable need in the past period it has certainly become a shackle and weak point in our modern world, in which the role of slogans and glittering words has receded and in which the real challenge is real achievement, changing the fates of peoples and insuring their interests in the present and the future. But if we give in to the temptation of slogans, which is an easy choice, we will contribute to making the nonaligned movement a mere form or historical symbol void of any real content.
3. Unity inside the nonaligned family is still weaker than the pattern which dominates relations inside each of the Eastern and Western blocs. Although these two camps witnessed deep changes in the past 10 years which produced a tangible amount of diversification and the weakening of central bonds which tied members of each block to the main center of gravity, the harmony and coordination and the uniformity available inside the nonalignment movement. This phenomenon must inevitably be tackled if we really want to push forward the question of unified action.

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4. Connected with this is the fact that the two superpowers, since they began the process of consolidating bridges between them, resorted to kindling differences inside international groupings which are outside their sphere as a way to retain centers of influence or create new spheres of influence, resulting in dependence of one side or another on them. Even without the contribution by the big powers to creating disputes, the regional and local conflicts in certain countries of the Third World prompted them to ask help from the big powers to support their stands in these conflicts.

5. Economic and social development--with all its pressures and pressing needs--has compelled the developing countries to rely on outside sources for financing this development. This was exploited by the big powers in exerting pressures on the nonalined states and in influencing their policies, because he who is able to give without [word indistinct] claims for himself the right to interfere and to influence.

6. Many of the **problems** and differences which have arisen among the nonalined countries were dealt with outside this group. This is a negative phenomenon which inevitably reflects upon the effectiveness of the movement and on its international prestige.

7. In dealing with issues that concern it, the nonalined movement has pursued traditional methods that are practiced in existing international organizations and forums. This is the method of adopting resolutions without creating the channels and frameworks that guarantee the implementation of these resolutions and their transformation into a policy which every [nonalined] state is pledged to advocate and to impose on the outside world.

All this does not belittle the efforts we have made and the achievements we have made. However, we must continuously assess the experiment to insure its vitality and capacity to grow steadily as well as keep pace with the fast-moving daily developments in the world.

Permit me, brothers, to seek your participation in arriving at a general concept for our progress together stemming from our unshakable faith in the principles of nonalinement and our free choice of nonalinement as a policy and a program guiding our march at the international level. I believe that we can arrive at this concept on the basis of the following:

1. If the old definition of nonalinement meant refraining from involvement in or links with the international blocs, reserving the freedom to judge the attitudes of other states, and positive participation in international politics without alinement with any particular camp or power, then this definition is now inadequate and is not in harmony with the conditions of the last quarter of the 20th century. The meaning and essence of nonalinement must be developed and based on freedom of choice and freedom of will away from the pressures and influence of the big powers, whether these pressures are political, economic, or otherwise. Permit me to tell you that Egypt's victories against the forces of racist colonialism and imperialism were the result of its determination to maintain its independent will and freedom and to make whatever decisions are dictated by its national interests and the sublime principles of its people. Our people have remained loyal to their independence and sovereignty throughout their history.

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2. In our international movement as a group of interlinked states, we must not resort to the methods of reaction. We must take the initiative with complete courage so as not to give the other powers the opportunity to confront us with a fait accompli and try to impose it on us or shackle us with it. This requires that we have a unanimous, clear and strong viewpoint on all important international issues.

3. We must give solidarity between ourselves, both bilateral and collective, top priority in our international dealings in all the political, military and economic spheres. This is so that no nonalined state would fail to support a fraternal state out of consideration for a relationship between it and the outside world. This is because if the foreign powers see that we are dealing with them without any consideration for our mutual solidarity commitments, they will deal with us separately. We cannot expect others to give our movement weight that we do not give it ourselves in our present dealings. This does not mean that we should go into a shell or isolate ourselves from others. We are not advocates of isolation. All we seek is for each one of us to look at the other as his natural ally and a partner who shares the same philosophy, interests, and policies and deserves priority and preference. If our dealings with others are regarded strictly as such, the exchanges among us should be based on cohesion and interaction. Each one of us should receive support and solidarity without any reservation. To our friends outside the movement, we should show understanding, cooperation, and a readiness to build bridges. To our enemies we must demonstrate firm and relentless confrontation.

4. We must all be unified in standing firmly against the attempts to interfere in the domestic affairs of any nonalined state. This interference, which has escalated in recent years to a grave extent and assumed new forms of international piracy, terrorism, sabotage, the use of mercenaries, and propaganda and psychological warfare, will in fact be a threat directed against all of us if we take it lightly or let it proliferate. If we do, the big states which resort to this interference and the agents which accept their orders will think that this interference has become an available means for achieving their ambitions.

5. We must not be content with passing resolutions and issuing statements which do not entail any effective shift in attitudes. However, at best these resolutions and statements will be a tranquilizer which will give us a false impression that we have faced a problem or settled a situation. This means that we replace action and motion with words, leaving the others to take action and settle situations. This requires us to discuss in all seriousness the question of providing executive formulas which would insure the implementation of our resolutions in a manner that is not mere eyewash. But it should be clear to all that we mean what we say and that, to us, words are no substitute for actions, but are merely an expression of a real commitment through action and movement. This might require us to take specific political, military, or economic steps in a collective manner which would guarantee that no one will take us lightly or think that if we make a specific decision it will fall into oblivion as soon as our meeting is concluded.

Our present conference has an historic opportunity to take a pioneering step on this road. I suggest that in this opportunity, we should focus on two issues in which our peoples are waging a glorious struggle against the forces of imperialism and racism.

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These include countering the continued Israeli occupation of the Arab territories despite the successive resolutions passed by the various summit conferences and the stipulation of the United Nations that Israel withdraw from all these Arab territories. The second issue is the struggle of the African peoples against the regimes of the racist minorities in Zimbabwe, South Africa and Namibia. There can be no doubt that the escalation in the militant activity of the fraternal African peoples, who bear the brunt of the direct confrontation with these terrorist racist regimes, (?must be given) a specific (?commitment) by all of us to support the right of our brothers in these regions to a free and dignified life. As long as the aggressors do not feel that the denunciation by the nonaligned countries of their attitude will be translated into actual and executive political and military steps, they will feel that they can continue their aggression without being compelled to pay the price.

When I speak of taking specific executive steps, I am not basically speaking of the establishment of the new organs as much as I am thinking of our agreement on a coordinated move in which every one of us will play a specific role in the political and military fields. Thus our commitment will be clear in its nature, extent, and dimension--both to us and others--before making any move or taking any attitude.

6. These things are connected with the fact that, in our actions, we should devote attention to a continuing followup so that our meetings will not be scattered and disconnected links. They should be a connected chain which requires us to begin discussions at every meeting where we ended at the previous meetings, not in a vacuum. These things also require a continuing assessment of our movement and a comprehensive review of our achievements and of what we have failed to achieve. This is so we can move on solid ground and be able to offer to our peoples, who have given us their trust, a complete record of our work.

Dear brothers, at our last conference in Algiers we reviewed the development of economic relations during the past 30 years since the end of World War II and the emergence of the United Nations. The result of our assessment was that the traditional economic system did not and would not allow the implementation of the principles of the UN Charter or the important resolutions passed by the organization to improve the position of the developing countries and narrow the gap in the standard of the individual's income and in the technological progress between them and the advanced countries. It did not guarantee the minimum of prosperity that would secure human dignity for all mankind. We discovered then that our responsibility to our working peoples required us to take the initiative for setting up a new international economic system on the basis of justice and equality in sovereignty and equal opportunities. These include the fair distribution of the benefits of international trade and the fruits of technological progress in accordance with the requirements of the principle of mutual benefit and international equality.

The past 3 years since the convening of the Algiers conference have witnessed (?initial) strides toward the achievement of this historic change in relations between the industrialized countries and the developing countries. The first economic session in the history of the United Nations was held to discuss the problems of raw materials and development in response to the invitation of brother President Houari Boumediene.

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Moreover, the war of liberation which we waged in October 1973 had a great effect in convincing the industrialized countries--reluctantly--of the extent of their economic dependence on mutual cooperation with the developing countries which produce the raw materials. Thus this glorious war, in which you stood by us with every assistance, had its historic role in completing the political independence of the states by strengthening their economic independence, which is an indispensable element in the liberation of the national [wataniiyah] and pan-Arab [qawmiiyah] will.

Later it was natural for the international community to turn to the redistribution of the profits of international trade and technological advancement. However, the realization of this trend in the actual economic and trade policies which the industrialized countries are pursuing, to take them away from exploitation and pressure, is a step which we are still expecting and for which we are working. We sincerely hope that our expectations in the present efforts for progress in international cooperation and the reevaluation of relations between the developing countries and the industrialized advanced countries--the countries which to a great extent built their industrialized progress on our shoulders--will not be disappointed.

Mr. Chairman, dear brothers, I do not have to reiterate that the strength of the nonaligned countries lies chiefly in their solidarity and unity. Egypt welcomes the distinguished character of the fifth summit conference (which) gives this solidarity and that unity a practical drive on the road toward the achievement of collective self-sufficiency. This requires two things from us: First, to plan for the development of our economy on the basis of self-reliance by considering it to be the most fruitful means for continuing the national effort and rendering any foreign pressure ineffective. Second, that our intention should be sincere in giving preferential treatment in the economic and trade exchanges between ourselves and we should endeavor to achieve a greater degree of economic integration and mutual cooperation. This makes our meeting here a desirable event capable of withstanding any pressures or negative signs. With this element, the principle of collective self-reliance and trade exchanges can be achieved. Hence we can achieve the desired self-sufficiency. We do not look at the principle of collective self-sufficiency as a substitute for international equality. Indeed it is a complementary element of it and does not contradict it provided that it is understood by the industrialized countries that equality, if not based on justice and equal opportunities in sovereignty, would be a meaningless myth.

Those states must understand that the achievement of justice and equality in the international economic system is an essential condition for the achievement of the steady growth not only in developing countries but also in the industrialized states themselves. Thus respect for this principle is an indispensable condition for the achievement of international peace and security.

In other words, poverty, want and [word indistinct] cannot be here and prosperity, progress and welfare there.

Dear brothers, the Egyptian people's and leadership's adherence to the principles and policy of nonalignment is the cornerstone of every policy we formulate and every step we take. It is the yardstick which we apply in judging any moves at the international level. All this stems from our deep belief in the existence of a fateful cohesion among the nonaligned peoples in Africa, Asia, Europe and Latin America--these peoples which have gone through the same struggle and started from the premise of the same aspirations.

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Thus they were brought together by one humanitarian struggle for liberation and comprehensive economic and social development. If the experiences of the past and the present and the identical problems which we faced have brought us together and united our march, the challenges of the future and the hopes we have for our future generations make our bonds inevitable and indisputable.

In this principled framework, the people of Egypt rely on your support in their struggle for the liberation of the land and in enabling the fraternal Palestinian people to regain their right to self-determination so they can express their independent will. It is no coincidence that we waged the glorious liberation battle in October 1973 a month after our meeting in Algiers and after the collective support we received from you. Perhaps you agree with me that Israel has become a source of aggression against the Arab and African peoples and a tool for the implementation of suspect designs and conspiracies in the region. It is an ally of the racist regimes which rule by means of steel and fire other African peoples very dear to us all. Perhaps you agree with me that Israel needs a new lesson to remove any remaining illusions of supremacy and domination it still has and to convince it beyond any doubt that the nonalined states will not accept that such a state, no matter what forces support it and stand behind it, can continue to challenge their collective will and feelings.

As we have told you, we do not shirk any responsibility and do not slough the burden of our struggle on others. We accept the challenge and insist on confronting it no matter what sacrifices this might cost. We will always be in the forefront of those fighting for liberation, but what interests us and gives us encouragement is to see our unity manifested in every step we take and to see a true participation by all of us in the struggle against the common enemy. I do not imagine that any one of us accepts the aggression to which the Palestinian people are being subjected, not only in their political and general (plans) but also in their daily life. The Palestinians' right to a creative and productive life like other peoples continues. Therefore, we are called upon, as I have said before, to mutually undertake practical measures to halt this aggression, to repulse it and insure that none of us will be subjected to anything like it in the future. Furthermore, I do not doubt that we will confront with all determination the Tel Aviv-Pretoria axis which is trying to terrorize the African and Arab peoples to the extent of hinting at the production of nuclear weapons and threatening to use them.

It appears that these racists have forgotten that we do not deal in such logic. We are not afraid of such theatrics because we, having resisted the major powers which tried to violate our rights and dignity, cannot hesitate for one moment in resisting the conspiracies of the lackeys and those who try to cling to the colonialist theories which have become legacies of the era of darkness and backwardness. [words indistinct] we reaffirm [words indistinct] our total solidarity with our brothers in Asia in their glorious struggle for the consolidation of the independence they have achieved following a bitter struggle. We stand at their side in the [word indistinct] to which they are being subjected as a result of the extension of the conflict between the superpowers to the Asian territories and oceans. If we look around us we will find that fraternal Lebanon--which is a nonalined country having a sensitive strategic position--for more than a year has been subjected to a continuous foreign intervention, this has disturbed security and stability in the country and made the life of individuals and groups endless chaos. It is inevitable that such a situation should attract the profound interest of the nonalined countries.

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It is inevitable, too, that the nonalined countries should declare that they will stand by in the protection of Lebanon against foreign intervention and their (willingness) to help Lebanon to confront this intervention. They will help Lebanon maintain its independence, territorial integrity and its national unity and they will help consolidate the fraternal coexistence between the Lebanese and Palestinian peoples. Consequently we expect this conference to adopt those principles which are the essence of the current international system and [words indistinct] those who are interfering in Lebanese affairs.

Among the positive phenomenon we see that the nonalined movement is continuously spreading in Latin America. This comes at a time when the peoples of that continent increasingly realize that the nonalined path is the only way that leads to peace, justice and security. It pleases us to see 7 Latin American countries attending this conference 7 countries enjoying full membership--and 10 other Latin American countries attending as observers. We cannot but hail the positive participation by the nonalined countries in Europe, especially Yugoslavia, which has carried the banner of nonalinement and set a glorious example of the independence of will and [word indistinct] to the world.

Brothers, we are not at the crossroad of history. We are facing heavy responsibility and a fateful choice, we have no alternative but to resolve to march together along the path of liberation, peace and progress. Let us be alined with justice, equality and the dignity of the free man without any discrimination on the basis of race, color or religion, let us be alined with total independence and noninterference in the internal affairs of states and alined with the peoples' right to exploit their own natural resources, let us be alined against imperialism, the domination of capitalism, the false slogans and against the imperialism of ideologies, exploitation and the violation of the natural rights and sovereignty of peoples.

Egypt, for its part, pledges to you that nonalinement will be the path from which it will never deviate and the commitment which takes priority over all others; it is the path which Egypt pursues while placing its hand in yours so that together we can lay down a new strategy for peace and a method for human progress in the space age. Together we can build an edifice which we can present to the coming generations of our sons--an edifice whose roots will be a flame that cannot be extinguished, an inspiration whose light will not go out, and a strength that cannot be defeated--a strength that unites and never disunites, [word indistinct] and never threatens and is just and never oppresses.

Tomorrow the sun of freedom will rise over all parts of the world and the (?doves) of peace will fly everywhere. May God render us successful, protect us and bless our work. Peace and God's blessings be with you.

SYRIAN PRESIDENT AL-ASAD : ADDRESSES SUMMIT CONFERENCE

Belgrade TANJUG in English 1020 GMT 17 Aug 76 LD

["Pool" item]

[Text] Colombo, August 17 (TANJUG)-- Syrian President Hafiz as-Asad stated, in addressing the summit conference here today, that there can be no equitable and durable peace in the Middle East unless Israel withdraws from the Arab territories occupied in 1967 and unless the Palestinian people is restored its national rights.



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C O N F I D E N T I A L STATE 203887

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E.O. 11652: GDS

TAGS: GPHY, OSCI, EG

SUBJECT: FAHMY REQUEST FOR ADDITIONAL FUNDS FOR FAITH AND HOPE SOCIETY

REF: (A) CAIRO 9962; (B) CAIRO 8194

1. IF FAHMY AGAIN RAISES THE SUBJECT OF ADDITIONAL FUNDS FOR THE FAITH AND HOPE SOCIETY, YOU SHOULD SAY THAT WE CONTINUE TO WISH MRS. SADAT WELL WITH THIS WORTHY PROJECT, THOUGH WE DO NOT HAVE ANY RECORD OF A FURTHER COMMITMENT ON OUR PART BEYOND THE 10 MILLION DOLLARS IN EGYPTIAN POUNDS ALREADY CONTRIBUTED. AS FAHMY WILL APPRECIATE, WERE WE TO CONSIDER MAKING ADDITIONAL FUNDS AVAILABLE, WE WOULD BE OBLIGED BY OUR OWN PROCESSES TO OBTAIN THE USUAL INFORMATION ABOUT THE STATUS OF THE PROJECT, THE USE OF FUNDS AND FUTURE PLANS. THE FACT THAT FURTHER CONTRIBUTION WOULD INVOLVE CONGRESSIONAL CONSULTATION AND APPROVAL BY THE OFFICE OF MANAGEMENT AND BUDGET MAKES IT ALL THE MORE NECESSARY FOR US TO GATHER THIS STANDARD INFORMATION. AS
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YOU HAVE TOLD FAHMY, A NEW ANNUAL REPORT ON THE SOCIETY'S ACTIVITIES AND ON ITS FINANCES WOULD BE VERY IMPORTANT IN THIS RESPECT. WE ASSUME THAT MRS. SADAT IS AWARE OF SOME OF THE QUESTIONS THAT WOULD BE OF INTEREST TO US, SINCE JOE TRAUB, IN ENDING HIS PERIOD AS ADVISOR TO THE SOCIETY,

HAS DISCUSSED WITH HER IN SOME DETAIL THE PRINCIPAL MANAGEMENT ISSUES AFFECTING THE SOCIETY.

2. FYI: WE LOOK FORWARD TO THE EMBASSY'S RECOMMENDATIONS CONCERNING POSSIBLE FURTHER U.S. ASSISTANCE TO THE PROJECT (CAIRO 9962, PARA. 9). KISSINGER

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4. AS I MENTIONED TO YOU SOMETIME AGO, SADAT'S THOUGHT WAS THAT QADHAFI WOULD BE OVERTHROWN BY AN INTERNAL COUP CONDUCTED BY SMALL GROUP OF LIBYANS, INCLUDING VARIOUS RCC MEMBERS NOW STILL IN LIBYA. ONCE QADHAFI AND JALLOUD ARE ARRESTED OR OTHERWISE 25x1 A RECONSTITUTED LIBYAN GOVT WOULD BE SET UP. ANY ACTIONS BY THE EGYPTIAN MILITARY WOULD BE IN SUPPORT OF SUCH GOVT. BOTH SADAT AND GAMASY HAVE BEEN CLOSE-MOUTHED IN VOLUNTEERING SPECIFIC PLANS AND I HAVE THOUGHT IT BEST NOT TO APPEAR TO BE PRYING LEST THEY USE THIS TO TRY TO INVOLVE US MORE DIRECTLY.

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E.O. 11652: GDS

TAGS: PFOR ENRG IS EG US

SUBJ: AMOCO DRILLING ACTIVITIES IN GULF OF SUEZ

REF: (A) STATE 206125, B) TEL AVIV 5680, C) STATE 205464

D) CAIRO 11126

1. WE INFORMED CRAIG, AMOCO-EGYPT MANGER, OF CONTENTS REFTTEL A ABOUT MID-DAY CAIRO TIME AUGUST 19. IN RESPONSE, CRAIG SAID THAT MARINER DRILLING IS JOINT AMOCO/GUPCO (GUPCO IS JOINT AMOCO/EGYPTIAN GENERAL PETROLEUM CORPORATION OPERATING

ENTITY IN EGYPT) OPERATION AND THAT DECISION HAD ALREADY BEEN TAKEN WITH GUPCO TO PROCEED TO DRILL AT SITE 304-1. THIS DECISION TAKEN ON BASIS THAT ONLY WAY FOR AMOCO TO PRESERVE ITS EXPLORATION RIGHTS IN AREA IS TO EITHER FIND OIL BY SEPTEMBER 21 OR CLAIM IT CANNOT COMPLETE ITS EXPLORATION PROCESS BECAUSE OF FORCE MAJEURE. BECAUSE AMOCO OBVIOUSLY CANNOT PASS ON TO GOE ISRAELI OBJECTIONS TO EXPLORATION EXPRESSED TO USG AS EVIDENCE OF FORCE MAJEURE, ONLY WAY TO PRESS CLAIM FOR EXTENSION OF EXPLORATION RIGHTS IS TO ACTUALLY ENCOUNTER ISRAELI INTERFERENCE. HE SAID THAT, BASED ON PREVIOUS EXPERIENCE, WITH RAMADAN OPERATIONS, EGYPTIAN OFFICIALS DO NOT BELIEVE ISRAELIS WILL INTERCEPT MARINER. CRAIG SAID HE HAS LITTLE CHOICE BUT TO GO ALONG WITH JOINT GUPCO/AMOCO DECISION FOR MARINER PROCEED TO SITE 304-1 AND ATTEMPT TO DRILL.

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2. CRAIG ASKED SPECIFICALLY THAT THIS INFORMATION NOT BE PASSED TO ISRAELIS AT THIS TIME. HE PROMISED TO INFORM AMBASSADOR OF MARINER'S ACTUAL DEPARTURE FROM RAS SHUKAIR, PROBABLY SOMETIME AUGUST 20. DURING CONVERSATION WITH EMBOFF. CRAIG REMINDED THAT AMOCO'S INTENT WAS NEVER TO REQUEST ISRAELI PERMISSION TO DRILL AT SITE 304-1 AND THAT, IN PASSING INFORMATION ABOUT MARINER'S ACTIVITIES TO GOI THROUGH USG, HE FULFILLING TO BEST OF HIS ABILITY OBLIGATION TO PROTECT LIVES AND PROPERTY OF AMERICAN CITIZENS. EMBOFF ASSURED HIM THAT INFORMATION HAD NOT BEEN PASSED TO GOI IN FORM OF REQUEST BUT IN FORM OF INFORMATION IN ORDER TO PROTECT AMERICAN LIVES AND PROPERTY.

4. COMMENT: AMOCO DECISION POSES INTERESTING PROBLEM. AMOCO CLEARLY FEELS IT IS ACTING WITHIN ITS RIGHTS IN PROCEEDING WITH SITE 304-1 DRILLING AND, AS WE UNDERSTAND USG POSITION, SUCH DRILLING WOULD ALSO BE CONSISTENT WITH OUR OWN VIEW ON LEGALITY SUCH ACTION. NEVERTHELESS, DESPITE OUR EFFORTS NOT TO REQUEST PERMISSION, ISRAELIS HAVE IN EFFECT DENIED PERMISSION. IN PROCEEDING TO SITE 304-1, AMOCO IS OF COURSE DOING SO AT ITS OWN RISK, ALTHOUGH OUR CONCERN FOR THE PROTECTION OF THE AMERICAN INTEREST, INVOLVED IS UNCHANGED. IN THE CIRCUMSTANCES, WE RECOMMEND WE INFORM GOI THAT ITS OBJECTION TO WORK AT SITE 304-1 HAS BEEN PASSED TO AMOCO, BUT THAT FOR CONTRACTUAL REASONS HAVING TO DO WITH IMMINENT LEASE EXPIRY AMOCO CONSIDERS IT MUST PROCEED WITH DRILLING OPERATION AS PLANNED. DESPITE DIFFERENCES ISRAELI AND USG VIEWS ON LEGAL ASPECTS, WE REQUEST ISRAELI NAVAL VESSELS BE INSTRUCTED NOT TO INTERFERE WITH THE PEACEFUL DRILLING ACTIVITY OF THIS VESSEL NOR TO JEOPARDIZE THE SAFETY OF THE AMERICANS ON BOARD.

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PRESIDENT ABOUT IT, I COULD NOT DO SO WITH FAHMY SINCE HE LEFT ON AUGUST 9 FOR COLOMBO.

4. FINALLY, I WANT BOTH FAHMY AND THE PRESIDENT TO KNOW THAT I PLAN TO GO ON HOME LEAVE O/A SEPT 5 WITH A VIEW TO BEING BACK HERE BY THE END OF RAMADAN, ABOUT SEPT 26 OR 27. I WOULD NOT WANT TO GO UNLESS SADAT IS AGREEABLE AND FEELS COMFORTABLE ABOUT MY BEING AWAY FOR THAT TIME. IN THIS CONNECTION, I HAVE SENT WORD TO FAHMY THAT, IF THE PRESIDENT WOULD LIKE TO SEE ME WHEN I AM IN ALEXANDRIA, I WILL BE AT HIS DISPOSAL.
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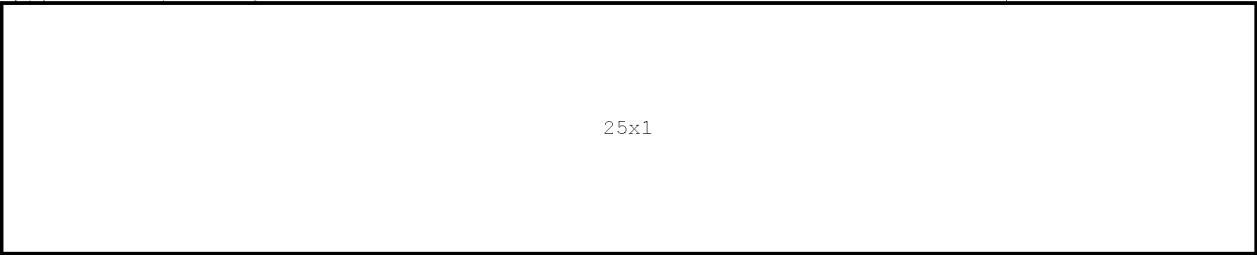
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CIRCUIT
TO : GENERAL SCORCROFT, IMMEDIATE
FROM: AMBASSADOR EILTS

1. RE YOUR WASH 177, I AM IN A QUANDRY BECAUSE OF CONFLICTING INSTRUCTIONS. YOU HAD EARLIER ASKED THAT ALL MESSAGES BE SENT THROUGH THIS CHANNEL, EYES ONLY YOU, SECRETARY KISSINGER, AND SECRETARY RUMSFELD. AFTER SENDING A PERTINENT MESSAGE OF SVENDSEN'S TO THESE THREE ADDRESSEES, THE SECRETARY INSTRUCTED ME TO SEND SUCH MATERIAL EYES ONLY TO HIM.



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2. I RECEIVED A REPLY TWO DAYS AGO FROM LARRY EAGLEBURGER AGAIN STRESSING THE NEED TO LIMIT DISTRIBUTION, BUT INDICATING THAT HE WOULD NOT WANT TO APPEAR TO BE CENSORING DAO MATERIAL. HE AGREED THAT MESSAGES SHOULD AT MOST BE SENT TO THE SECRETARY, CIA (BUSH), USCYNCEUR (HUYSER) AND YOU. IT WAS AFTER THAT LATEST INSTRUCTION THAT I AUTHORIZED SVENDSEN TO SEND THE LAST SHAWKAT COMMENTS AND LIMITED TO THOSE ADDRESSEES. HE HAD OTHER ADDRESSEES TO WHOM HE WANTED TO SEND IT, BUT I INSISTED THEY BE CUT OUT.

4. IT WOULD BE HELPFUL TO HAVE SOME AGREED UPON DEFINITIVE INSTRUCTIONS ON THIS MATTER. SHAWKAT IS ADMITTEDLY VERY FRANK WITH SVENDSEN, WHICH IN MANY WAYS IS A GOOD THING. WE ARE LEARNING MORE THROUGH SHAWKAT THAN WE ARE FROM SADAT OR GAKASY. I AM RELUCTANT TO SPEAK TO GAKASY AGAIN AND ASK HIM TO INSTRUCT SHAWKAT NOT TO TALK TO SVENDSEN ABOUT THIS MATTER. IN THE LONG RUN, WE WILL BE THE LOSERS.

***** W H S R C O M M E N T *****

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5. I CAN, OF COURSE, LIMIT STILL MORE DISTRIBUTION OF SVENDSEN MESSAGES, ALTHOUGH THIS IS CERTAIN TO CAUSE SUSPICIONS AND CONCERN. IT WILL ALSO GIVE RISE TO POTENTIAL CENSORSHIP CHARGES. IS THERE NOT SOME WAY THAT THE SEVERAL NAMED ADDRESSEES, I.E., THE SECRETARY, BUSH, WILSON OF DIA AND MIYSEN, CAN BE ASKED TO KEEP SUCH SENSITIVE MATERIAL EYES ONLY. IF NOT, I WILL INSTRUCT SVENDSEN TO COMPLY WITH WHATEVER AGREED UPON INSTRUCTIONS ARE SENT TO ME RE HANDLING OF SUCH MATERIAL.

6. WARM REGARDS,

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INSISTS GOE HAS NO INTENTION OF FURTHERING SUCH AN OBJECTIVE. GOE DOES OBJECT TO "DISHONEST" WAY IN WHICH SYRIA HAS ACTED IN LEBANON. AN EVENTUAL SYRIA-EGYPT RECONCILIATION IS NEEDED AND SAUDIS ARE BEST SUITED TO TRY TO ACHIEVE THIS. FAHMY ATTRIBUTED SADAT'S CHANGE OF VIEW ON ASAD TO THE PRESIDENT'S DEEP HURT ABOUT WHAT HE REGARDS AS OUR "GLORIFICATION" OF ASAD. DEPT PRESS SPOKESMAN AND OFFICIALS HAD HAILED ASAD AS TOUGH MAN WHO BARGAINS HARD, IMPLYING SADAT IS SOFT AND READILY MAKES CONCESSIONS. I STRONGLY REFUTED ANY JUSTIFICATION FOR SUCH IMPRESSION. CONTENDING IT NEVERTHELESS EXISTS, FAHMY ASSERTED IT IS A SCAR WHICH WILL BE HARD TO HEAL. IT MIGHT BE HELPED IF WE COULD OBTAIN SOME FURTHER UNILATERAL ISRAELI WITHDRAWAL IN SINAI OR INCREASE IN AID PROGRAM, FAHMY THEN ASKED FOR YOUR ANALYSIS IN WRITING SO THAT HE CAN MAKE MORE CONSIDERED COMMENTS. PLEASE INSTRUCT. END SUMMARY

1. MY SESSION WITH FAHMY YESTERDAY IN ALEXANDRIA WAS THE FIRST OCCASION THAT I HAVE BEEN ABLE TO SEE HIM SINCE MY RETURN FROM TEHRAN, AND HIS RETURN FROM COLOMBO. I THEREFORE TOLD HIM ABOUT MY MEETING WITH SADAT TO DISCUSS YOUR ANALYSIS OF THE MIDDLE EAST/LEBANON SITUATION. SOMEWHAT SURPRISINGLY, FAHMY SEEMED NOT TO KNOW THAT I HAD MET WITH THE PRESIDENT, AND I HAD THE IMPRESSION THAT SADAT MAY NOT HAVE MENTIONED THE MEETING TO HIM WHEN THEY MET IN COLOMBO SEVERAL DAYS LATER. I REMINDED FAHMY THAT I HAD TOLD HIM ON THE PHONE THE NIGHT OF MY RETURN AND THE DAY BEFORE HIS DEPARTURE THAT I WOULD ASK FOR A MEETING WITH THE PRESIDENT AND HE HAD THOUGHT THIS WAS A GOOD IDEA. ALTHOUGH I HAD ALREADY GIVEN THE PRESIDENT YOUR ANALYSIS, YOU HAD ALSO ASKED ME TO GIVE IT TO FAHMY AND REQUEST HIS COMMENTS. I THEN WENT THROUGH THE TALKING POINTS ITEM BY ITEM, AS I HAD DONE WITH SADAT, SO THAT THERE MIGHT BE NO CONFUSION.

2. I HAD NO SOONER GONE THROUGH THE FIRST POINT ON LEBANON WHEN FAHMY INTERRUPTED TO SAY HE DISAGREED. HE DISPUTED THE CONTENTION THAT LEBANON HAS SERIOUSLY COMPLICATED PEACE PROSPECTS AND ARGUED THAT IT WILL HELP THE PEACE PROCESS RATHER THAN HURT IT. AS A RESULT OF LEBANON, SYRIA IS IN A BAD SITUATION. THE PLO, AT LEAST FOR THE TIME BEING, IS WEAKENED. MOREOVER, A KIND OF BALANCE HAS NOW DEVELOPED IN LEBANON. ALL THESE DEVELOPMENTS, IN HIS VIEW, WILL HELP

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THE PEACE PROCESS. HE THEN QUOTED WHAT HE CALLED A CURRENT SAYING IN GOE INNTER CIRCLES AS TO THE EFFECT THAT, "IF THERE WERE NO LEBANON, WE WOULD HAVE TO CREATE ONE."

3. EVEN SYRIA WANTS TO GO TO GENEVA, FAHMY ASSERTED. HE THEN RELATED THAT, AT COLOMBO, IRAQI PRIMIN SADDAM HUSEIN EL-TIKRITI HAD BITTERLY ATTACKED THE PEACE PROCESS, CONTENDING THAT WAR IS THE ONLY WAY TO SETTLE THE ARAB-ISRAEL ISSUE. FAHMY CLAIMS HE ASKED FOR TE FLOOR TO REBUT SADDAM. HE HAD STATED ALL THE DELEGATIONS PRESENT KNEW IRAQI POSITIONS. ALL HAD SEEN THEM REPEATEDLY IN THE PRESS AND HAD HEARD THEM. IF THE IRAQI DELEGATE WAS SIMPLY ENGAGED IN POLITICAL AUC-TIONEERING, ALL PRESENT WOULD UNDERSTAND THIS. IF THE IRAQI DEL WAS SERIOUS, GOE INVITED HIM TO SEND IRAQI TROOPS TO THE SINAI FRONT. THIS WAS THE FRONTLINE AND THE IRAQIS WOULD THEN BE PUTTING THEIR MONEY WHERE THEIR MOUTH WAS. ALTHOUGH SADDAM HAD NOT REPLIED, KHAODAM HAD THEN TAKEN THE FLOOR TO SAY SYRIA WISHES TO CONTINUE THE PEACE PROCESS AND TO GO TO GENEVA. SYRIA WILL DO SO UNTIL IT IS EVIDENT THAT PEACE PROCESS PROSPECTS ARE NON-EXISTENT. FAHMY VIEWED THIS STATEMENT AS SYRIAN RE-ENDORSEMENT OF DESIRE TO GO TO GENEVA IF THERE IS ANY PROSPECT OF OBTAINING A MEANINGFUL GOLAN II. LAST FALL'S OFFER OF "400 METERS IN THE SOUTH" WAS NOTHING AND SYRIA WAS RIGHT IN REJECTING IT.

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S E C R E T SECTION 2 OF 2 CAIRO 11560

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FOR THE SECRETARY FROM AMBASSADOR

4. AFTER THIS INTERVENTION, I WAS ABLE TO PROCEED IN DETAILING YOUR ANALYSIS. AFTER I HAD FINISHED, FAHMY MADE SEVERAL ADDITIONAL POINTS. FIRST, HE COMMENTED THAT WE SHOULD NOT WRITE OFF THE PLO. ALTHOUGH IT HAS BEEN WEAKENED IN LEBANON, IT REMAINS A MILITARY AND POLITICAL FORCE TO BE RECKONED WITH. NEITHER WE NOR HUSSEIN NOR ASAD SHOULD BELIEVE THAT HUSSEIN CAN HOPE TO SPEAK FOR THE PALESTINIANS. FAHMY, NEVERTHELESS, LIKED OUR FORMULATION OF THE PLO AND DESCRIBED OUR EXPLICIT INDICATION OF READINESS TO BRING THE PLO INTO THE PEACE NEGOTIATIONS EVENTUALLY AS A GRATIFYING STEP FORWARD IN OUR THINKING.

5. SECOND, HE DID NOT SEE HOW THERE IS ANY REAL DANGER OF SYRIA BEING HUMILIATED. GOE'S PURPOSE, HE INSISTED, IS NOT TO HUMILIATE SYRIA. AS HE HAD PREVIOUSLY TOLD ME, GOE RECOGNIZES SYRIAN GEOPOLITICAL INTERESTS IN LEBANON. ITS SOLE OBJECTION IS THE "DISHONEST" WAY IN WHICH SYRIA HAS ACTED IN LEBANON. SPECIFICALLY, (A) IT HAS PUBLICLY CHARGED THAT SINAI II IS RESPONSIBLE FOR THE LEBANESE CHAOS; (B) IT HAS SOUGHT TO USE A SUCCESS IN LEBANON AGAINST EGYPT AND SADAT'S LEADERSHIP IN THE ARAB WORLD; AND (C) IT IS SEEKING TO CRUSH THE PLO AND REPLACE IT WITH A PRO-SYRIAN PALESTINIAN ORGANIZATION. BUT, AS HE HAD EARLIER STATED, A BALANCE HAS BEEN ACHIEVED AND WILL CONTINUE. SYRIA IS BOGGED DOWN IN

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CAIRO 11580 02 OF 02 271556Z

LEBANON AND NEEDS A WAY OUT. HE AGREED THAT THERE SHOULD BE AN EVENTUAL RECONCILIATION BETWEEN EGYPT AND SYRIA AND OPINED THAT SAUDI ARABIA IS BEST SUITED TO TRY TO ACHIEVE THIS. THE KUWAITIS SIMPLY FOLLOW THE SAUDI LEAD.

6. I TOLD HIM I WAS GLAD TO HEAR HIS VIEWS AND NOTED I HAD BEEN SURPRISED TO HEAR THE PRESIDENT, DESPITE SADAT'S EARLIER POSITION OF DRAWING A DISTINCTION BETWEEN ASAD AND THE SYRIAN BAAATH, NOW EQUATING THE TWO. SADAT HAD SAID THAT ASAD WILL FALL SOONER OR LATER AND HAD EVEN SEEMED TO BE ENDORSING ASAD'S POSSIBLE DEMISE. FAHMY SAID HE DISAGREED WITH THIS ASSESSMENT. THERE IS NO REASON WHY THE LEBANESE SITUATION SHOULD BE CARRIED TO A POINT WHERE ASAD MIGHT FALL, ALTHOUGH HE ACKNOWLEDGED THAT ASAD'S DOMESTIC PROBLEMS COULD BRING THIS ABOUT. ASAD'S FALL WOULD NOT BE HELPFUL.

7. AS FOR THE PRESIDENT'S CHANGED VIEW OF ASAD, FAHMY SAID WE SHOULD UNDERSTAND THE REASON FOR THIS. WHETHER OR NOT THE PRESIDENT MENTIONS THE MATTER, SADAT IS DEEPLY HURT BY WHAT HE REGARDS AS OUR CONSCIOUS "GLORIFICATION" OF ASAD. AFTER SADAT HAD MADE THE CONCESSIONS, WE HAD TURNED OUR BACKS ON HIM AND COURTED ASAD. DEPT PRESS SPOKESMEN AND DEPT OFFICIALS HAD HAILED ASAD AS THE TOUGH MAN WHO BARGAINS HARD, WHILE SADAT WAS SOFT AND READILY MAKES CONCESSIONS. I TOLD FAHMY THAT THIS WAS AN ABSOLUTELY WRONG INFERENCE. WE HAD NEVER SOUGHT TO GLORIFY ASAD AND, AS I HAD JUST TOLD HIM, HAVE NO ILLUSIONS ABOUT ASAD. WE HAVE WORKED WITH ASAD SINCE SINAI II BECAUSE BOTH GOE AND WE HAD AGREED THAT A SECOND GOLAN DISENGAGEMENT HAD TO BE THE NEXT STEP. BUT FAHMY WAS SURELY AWARE THAT WE HAVE REPEATEDLY STRESSED THAT WE REGARD SADAT AS THE PRINCIPAL ARAB LEADER AND WANT TO WORK WITH HIM IN THAT CONTEXT. FAHMY COMMENTED THAT WE SAY THIS, BUT ACT OTHERWISE AS EVIDENCED BY OUR HANDLING OF ASAD'S ACTIONS IN LEBANON. WE SHOULD KNOW THAT SO FAR AS SADAT IS CONCERNED, THE SCAR REMAINS AND IT WILL BE HARD TO REMOVE.

8. I AGAIN SAID SUCH AN IMPRESSION IS TOTALLY UNJUSTIFIED. HOWEVER, IF IT EXISTS, WE WOULD WANT TO TAKE SOME STEPS TO CORRECT IT. DID FAHMY HAVE ANY SUGGESTIONS? FAHMY CONTENDED IT WILL NOT BE EASY SINCE SADAT HAS A LONG MEMORY. EVER ON

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Department of State

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CAIRO 11560 02 OF 02 271556Z

THE LOOKOUT FOR A BARGAINING OPPORTUNITY, HE SUGGESTED THAT WE TRY TO GET SOME FURTHER UNILATERAL ISRAELI WITHDRAWAL IN THE SINAI. THIS WOULD PROVE TO SADAT THAT WE ARE STILL INTERESTED IN HIS CONCERNS. ALTERNATIVELY, WE MIGHT APPRECIABLY INCREASE OUR AID PROGRAM FOR EGYPT AS EVIDENCE OF THE IMPORTANCE WE ATTACH TO SADAT. I REMINDED HIM THAT OUR AID PROGRAM FOR EGYPT IS ALREADY THE LARGEST SUCH PROGRAM EXTANT AND THAT WE ARE HAVING PROBLEMS WITH THE UTILIZATION RATE. FAHMY SAID HE HAD NO OTHER IDEAS, BUT WANTED US TO BE AWARE OF SADAT'S FEELINGS.

9. FAHMY THEN ASKED THAT I GIVE HIM THE ANALYSIS IN WRITING SO THAT HE CAN MAKE A MORE DETAILED STUDY AND PROVIDE MORE CONSIDERED COMMENTS. HE CLAIMED THAT HE COULD NOT REMEMBER ALL THE POINTS ON A SINGLE READING. DO YOU WISH ME TO GIVE IT TO HIM IN WRITING?

13. COMMENT: THE CONTRAST BETWEEN SADAT'S AND FAHMY'S REACTIONS TO YOUR ANALYSIS IS INTERESTING. WHILE BOTH BELIEVE THAT WE MAY BE UNDERRATING THE STAYING POWER OF THE PLO, FAHMY AT LEAST IS CONVINCED THAT LEBANON WILL HELP RATHER THAN HURT THE PEACE PROCESS. SADAT IS LESS SURE AND VOLUNTEERED THE ALTERNATIVE OF A SINAI III IF WE CANNOT GET COMPREHENSIVE NEGOTIATIONS UNDERWAY EARLY IN 1977. ALTHOUGH SADAT HAS CONCLUDED ASAD WILL FALL AND SEEMS FOR THE THE MOMENT TO RELISH THIS PROSPECT, FAHMY DOES NOT BELIEVE SUCH A DEVELOPMENT IS EITHER NECESSARY OR HELPFUL. ON SADAT'S ALLEGED SENSE OF HURT BECAUSE HE THINKS WE HAVE GLORIFIED ASAD, THIS IS PROBABLY TRUE. YOU WILL RECALL THAT IN MY PENULTIMATE MEETING WITH SADAT ON JUNE 27 (CAIRO 8747) I TOLD HIM OF YOUR CONCERN ABOUT SUGGESTIONS THAT WE WERE COLLUDING WITH THE SYRIANS IN LEBANON AND NOTED HIS COMMENT TO A PRESSMAN ABOUT "SMELLING A RAT". HE MADE AN EXCUSE AT THE TIME THAT HE DID NOT BELIEVE COLLUSION STORIES AND CLAIMED HIS REFERENCE HAD BEEN TO HUSSEIN. HOWEVER, SINCE THAT TIME WE HAVE HAD SEVERAL INDICATIONS THAT HE HAS AGAIN USED THE TERM IN SPEAKING OF HIS SUSPICIONS OF US-SYRIAN COLLUSION IN LEBANON. SINCE THAT MEETING HE HAS SAID NOTHING MORE TO ME ABOUT IT, BUT THE VIEW IS WIDESPREAD AND I DOUBT THAT SADAT HAS SHAKEN IT OFF. WHETHER JUSTIFIABLE OR NOT, SADAT PROBABLY DOES FEEL THAT HE HAD BEEN SLIGHTED IN FAVOR OF ASAD AND BELIEVES THAT WE NOW

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PAGE 01 CAIRO 11547 271717Z

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ACTION N00S-00

INFO OCT-01 ISO-00 /001 W

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R 271431Z AUG 76
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 6484

Bgypt

SECRET CAIRO 11547

N0019

FOR THE SECRETARY FROM AMBASSADOR

E.O. 11652: GDS
TAGS: PFOR MILI EG US
SUBJ: FAHMY'S RENEWED REQUEST FOR LOAN OF 10 C-130'S

1. IN ALEXANDRIA YESTERDAY, FAHMY AGAIN RAISED WITH ME THE LOAN OF TEN C-130'S. GOE NEEDS THESE AIRCRAFT, HE CONTENDED, TO CARRY OUT ITS RESPONSIBILITIES IN THE SUDAN AND TO MEET THE LIBYAN THREAT.
2. I AGAIN TOLD FAHMY, AS I HAVE DONE TWICE BEFORE, THAT C-130'S ARE IN SHORT SUPPLY. USAF HAS AN OPERATIONAL REQUIREMENT FOR ALL SUCH AIRCRAFT IN ITS INVENTORY. I HAD RECEIVED NO COMMENT ON HIS EARLIER REQUEST FOR A LOAN OF TEN SUCH AIRCRAFT, BUT I THOUGHT HE SHOULD INTERPRET THIS AS ENDORSEMENT OF WHAT I HAD EARLIER TOLD HIM. I ALSO REMINDED HIM AGAIN THAT GOE HAD CHOSEN THE OPTION UNDER WHICH THE FIRST C-130'S WILL ARRIVE IN DECEMBER. I COULD ONLY ASSURE THAT THIS MEANT GAMASY BELIEVES A DECEMBER DELIVERY DATE FOR THE FIRST TWO AIRCRAFT IS EARLY ENOUGH. FAHMY INSISTED THAT GAMASY COULD USE THE AIRCRAFT NOW.
3. PLEASE LET ME KNOW IF YOU WANT ME TO SAY ANYTHING FURTHER TO FAHMY ABOUT THIS MATTER. I WOULD EXPECT HIM TO RAISE IT WITH YOU WHEN YOU MEET. FAHMY REALLY KNOWS BETTER THAN TO BELIEVE TEN C-130'S CAN

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Department of State

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PAGE 02

CAIRO 11547 271717Z

SIMPLY BE LOANED OUT TO GOE, BUT THAT IN NO WAY DETERS
OUR FRIEND FROM MAKING UNREASONABLE REQUESTS AND THEN
PROFESSING GREAT INDIGNATION WHEN REFUSED.
EILTS

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S E C R E T

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EGYPT

ROUTINE
EG1465
DE RUEHED #1510 2401004
R 270900Z AUG 76
FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 6456

INFO AMEMBASSY TEL AVIV 6078

S E C R E T CAIRO 11510

EXDIS
EQ 116021 008
TAGS: PFOR, EG, IS
SUBJ: FAHMY DEMARCHE ON ISRAELI SETTLEMENT ACTIVITIES AT RAFA

1. WHEN I MET WITH FAHMY YESTERDAY IN ALEXANDRIA, HE OPENED THE CONVERSATION BY COMPLAINING ABOUT CONTINUED ISRAELI SETTLEMENT ACTIVITIES AT RAFA. ISRAELIS HAD RECENTLY ANNOUNCED FURTHER BUILDING ACTIVITIES IN CONNECTION WITH ADDITIONAL SETTLEMENTS TO BE ESTABLISHED IN THE RAFA AREA. THE SYRIANS AND REJECTIONISTS, FAHMY CLAIMED, ARE USING THE ANNOUNCEMENT OF THESE ACTIVITIES AS A FURTHER MEANS OF ATTACKING EGYPT AND SINAI II.

2. RECALLING PREVIOUS REPRESENTATIONS HE HAD MADE TO US ABOUT ISRAELI EFFORTS TO CHANGE THE DEMOGRAPHIC STRUCTURE OF SINAI, FAHMY ASKED THAT WE "TELL ISRAEL TO STOP." THEY SHOULD KNOW THAT SOONER OR LATER THEIR SETTLEMENTS IN EGYPTIAN RAFA WILL HAVE TO GET OUT, EITHER PEACEFULLY OR BY FORCE. SUCH ISRELI SETTLEMENT ACTIVITIES IN EGYPTIAN TERRITORY, APARTFROM MAKING SADAT MORE VULNERABLE TO SYRIAN AND REJECTIONIST ATTACKS, CAST DOUBT UPON ISRAELI PROTESTATIONS OF WANTING PEACE.

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***** WSR COMMENT *****

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PSN1030610 PAGE 01 OF 01 TOR1247/11159Z DTG1270908Z AUG 76

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O 200210Z AUG 76 ZFF4
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S E C R E T/SENSITIVE EYES ONLY TDTG200113Z AUG 76 WASH177
VIA SANDY CKT DELIVER OPENING OF BUSINESS

FM: BRENT SCOCROFT
TO: AMBASSADOR EILTS

1. WE CONTINUE TO BE GREATLY CONCERNED OVER AMOUNT OF INFORMATION BEING CONVEYED BY GENERAL SHANKAT TO GENERAL SVENDSEN. THESE MESSAGES ARE BEING ADDRESSED TO SECSTATE, DIRECTOR BUSH, GENERAL HUYSER, LT. GENERAL WILSON AND MYSELF. WHILE WE OBVIOUSLY VALUE THIS CHANNEL OF INFORMATION, WE CANNOT GUARANTEE THAT THE INFORMATION WILL NOT BE SPREAD ABOUT IN WASHINGTON.

2. I LEAVE IT TO YOUR JUDGMENT AS TO WHETHER YOU SHOULD TAKE THIS UP AGAIN WITH GENERAL GAKASY.

3. WARM REGARDS,
BT

***** WWSR COMMENT *****

HYLAND, MCFARLANE

PN1020385 PAGE 01 OF 01 TOR1239/01128Z DTG1860210Z AUG 76

***** S E C R E T ***** COPY

No Objection To Declassification in Pa
rt 2012/02/13 : LOC-HAK-134-9-5-8

Eilts says that the Egyptians have
been greatly embarrassed by our failure
to respond to Kim Il Sung's message which
the Egyptians had transmitted.

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S E C R E T

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CR IM-81
VZCZC016016
DE RUSSON #F104 2401400
O 271348Z AUG 78 ZFF4
FM AMBASSADOR EILTS

TO GENERAL SCOCROFT, IMMEDIATE

S E C R E T / SENSITIVE EYES ONLY

TO : GENERAL SCOCROFT, IMMEDIATE
FROM: AMBASSADOR EILTS

1. FOLLOWING IS FOR THE SECRETARY AND YOU:

2. YOU WILL HAVE BEEN CAIRO'S 11526 REPORTING FAHMY'S COMMENTS ON KOREA AND HIS REFERENCE TO OUR UNWILLINGNESS TO HAVE A DIRECT DIALOGUE WITH THE NORTH KOREANS. AS YOU WILL HAVE GUESSED, HIS REFERENCE IS TO OUR EARLIER ACCEPTANCE OF SADAT'S OFFER TO ACT AS A CHANNEL BETWEEN WASHINGTON AND PYONGYANG AND OUR SUBSEQUENT FAILURE TO FOLLOW UP.

3. HE AGAIN WENT THROUGH THE BUSINESS OF GOE HAVING BEEN EMBARRASSED BY OUR FAILURE TO RESPOND TO WHAT HE CALLED KIM IL SUNG'S MESSAGE, WHICH THE EGYPTIANS HAD TRANSMITTED. IF HE HAD HAD A CHANGE OF HEART AFTER INITIALLY AGREEING, WE SHOULD HAVE SO INFORMED GOE IN ADEQUATE TIME TO ALLOW IT TO TAKE STEPS TO AVOID EMBARRASSMENT. INSTEAD, THERE HAD BEEN NOTHING BUT SILENCE. OUR FAILURE TO RESPOND TO NORTH KOREAN OVERTURE, AFTER WE HAD AUTHORIZED EGYPTIANS TO TELL THEM THAT WE WOULD DO SO, FAHMY AGAIN CLAIMED, HAS HEIGHTENED NORTH KOREAN SUSPICIONS OF USG INTENTIONS. FAHMY CALLED THIS A GREAT MISTAKE ON OUR PART.

4. HE REITERATED THAT GOE HAS REGULARLY SUPPORTED THE NORTH KOREAN POSITION AT THE UNGA AND WILL CONTINUE TO DO SO. THIS IS AN ISSUE ON WHICH GOE AND USG SHOULD AGREE TO DISAGREE.

5. GOE HAS OFFERED TO "MEDIATE" BETWEEN NORTH AND SOUTH KOREA TO GET THE DIALOGUE RESUMED, BUT CAS REPORTED IN CAIRO MESSAGE) FAHMY HAS OBVIOUSLY VERY UNEASY THAT HE MIGHT TRY TO DISRUPT THESE EGYPTIAN EFFORTS. I ASSUME HIS UNEASINESS IS PROMPTED BY OUR HAVING ABORTED THE EARLIER EGYPTIAN OFFER TO ACT AS AN INTERMEDIARY

***** W H S R COMMENT *****

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BETWEEN THE NORTH KOREANS AND OURSELVES.

O. WARM REGARDS.

BT

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PAGE 02

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S E C R E T

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No Objection To Declassification in Pa

Fahmy acknowledged for North Korea, and sharply criticized the US position on Korea. He said the GOE is trying to mediate between South and North Korea to arrange a resumption of the dialogue. The ROK has already indicated a willingness, and he expected the DPRK to do so. He asked that we not do anything to disrupt this effort.



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TELEGRAM

SECRET 3991

PAGE 01 CAIRO 11526 271430Z

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ACTION SS-25

INFO OCT-01 ISD-00 SSD-00 /026 W

015949

R 271235Z AUG 76
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 6472
INFO AMEMBASSY SEOUL
US MISSION UN NEW YORK 4034

S E C R E T CAIRO 11526

EXDIS

F.O. 11652: GDS
TAGS: PFOR, EG, KN, KS
SUBJECT: FAHMY ON KOREA

SUMMARY: ACKNOWLEDGING CONTINUED GOE SUPPORT FOR NORTH KOREA AT COLOMBO, FAHMY WAS SHARPLY CRITICAL OF USG POSITION ON KOREA. NORTH KOREANS "DECENT PEOPLE" AND USG IS MAKING MISTAKE BY NOT BEING WILLING TALK WITH THEM. USG RUNS DANGER THAT KOREAN RESENTMENT AGAINST US WILL GROW EVEN IN SOUTH KOREA AND EVENTUALLY BACKFIRE AS WITH SOUTH VIETNAM. EVEN SOME SOUTH KOREANS HAD EXPRESSED CONCERN TO HIM ABOUT OVERPOWERING USG ROLE IN THEIR COUNTRY. HE WAS WORRIED THAT USG ACTIONS IN WAKE OF PANMUNJON INCIDENT ARE FOR ELECTION BENEFIT. THIS COULD BE SERIOUS SINCE NORTH KOREANS WELL PREPARED. I STRONGLY REFUTED FAHMY'S CONTENTION AND TOLD HIM HE WAS ABSOLUTELY WRONG IN HIS ESTIMATE. WE HAVE LONG URGED RESUMPTION OF SOUTH/NORTH DIALOGUE AND HAVE SHOWN CONSIDERABLE FLEXIBILITY IN SEARCHING FOR WAYS TO DEFUSE KOREAN SITUATION. FAHMY SAID GOE IS TRYING TO "MEDIATE" BETWEEN SOUTH AND NORTH KOREA TO ARRANGE FOR RESUMPTION OF DIALOGUE. ROK ALREADY HAS INDICATED WILLINGNESS AND HE WAS SURE DPRK WILL DO LIKEWISE. HE EXPRESSED CONCERN THAT USG MIGHT TRY TO DISRUPT THIS EFFORT AND URGED THAT WE NOT DO SO. END SUMMARY.

4. IN ALEXANDRIA YESTERDAY, FAHMY GAVE ME HIS VERSION OF THE COLOMBO NAM CONFERENCE (SEPTEL). HE STATED QUITE FRANKLY

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CAIRO 11526 2714307

THAT GOE HAS IN THE PAST SUPPORTED THE NORTH KOREAN POSITION AND HAD AGAIN DONE SO. FAHMY NOTED HE HAD SEEN SOUTH KOREAN CONSUL GENERAL CHANG JUST BEFORE I ARRIVED AND EXPECTED TO MEET WITH THE DPRK AMBASSADOR TODAY. I RECALLED CHANG HAD MENTIONED TO CORE GROUP FAHMY'S OFFER TO MEDIATE BETWEEN NORTH AND SOUTH KOREA AND ASKED HOW THIS IDEA HAD PROGRESSED. FAHMY SEEMED LOATH TO COMMENT, SIMPLY SAYING ANY EGYPTIAN MEDIATION EFFORTS SHOULD BE OF NO CONCERN TO US. LATER IN CONVERSATION IT DEVELOPED THAT HE IS CONCERNED WE MAY TRY TO DISRUPT SUCH EFFORTS.

2. FAHMY WAS SHARPLY CRITICAL OF THE USG POSITION ON KOREA. HE DESCRIBED THE NORTH KOREANS AS "DECENT PEOPLE", AND INSISTED USG IS MAKING A MISTAKE BY NOT BEING WILLING TO TALK WITH THEM. IF USG CONTINUES AS AT PRESENT, KOREAN RESENTMENT AGAINST US WILL GROW, EVEN IN SOUTH KOREA, AND WILL EVENTUALLY BACKFIRE AS WAS THE CASE WITH SOUTH VIETNAM.

3. FAHMY CLAIMED "SOME PEOPLE" (UNIDENTIFIED) FROM SOUTH KOREA HAD EXPRESSED CONCERN TO HIM ABOUT OVERPOWERING US POSITION IN KOREA. WHILE ACKNOWLEDGING USG HAS BEEN A GOOD FRIEND, THEY HAD COMPLAINED IT IS "ALWAYS THINKING FROM HIGH ABOVE." IT HAS BEEN SEEKING TO CREATE A CLEAN, INDUSTRIAL SOUTH KOREA, BUT SOUTH KOREANS-~~SO~~ FAHMY'S INFOMANTS ALLEGEDLY CHARGED-HAVE LITTLE VOICE IN ANY OF THIS.

4. FAHMY ALSO EXPRESSED CONCERN ABOUT PRESENT KOREAN CRISIS. HE OPINED THAT HEIGHTENED ALERT OF US FORCES AND NAVAL DEPLOYMENT AFTER PANMUNJON INCIDENT SUGGESTS WE ARE SEEKING "PLAY KOREA" FOR ELECTION BENEFITS. THIS, HE CONTENDED, IS BAD AND DANGEROUS. IT COULD GET "OUT OF BOUNDS." IT IS ONE THING TO ATTACK NORTH KOREA IN PUBLIC MEDIA, BUT WE SHOULD AVOID GETTING MILITARILY INVOLVED. DOING SO WILL BE SERIOUS. THE NORTH KOREANS ARE WELL PREPARED, AS GAMASY HAD REPORTED AFTER HIS RECENT TRIP THERE.

5. I TOLD FAHMY I WAS ASTONISHED AT HIS COMMENTS. HE WAS ABSOLUTELY WRONG IN HIS ESTIMATE. WE HAVE NOT SOUGHT TO ESCALATE THE KOREAN INCIDENT. I COULD NOT RECONCILE HIS STATEMENT ABOUT THE NORTH KOREANS BEING SUCH "DECENT PEOPLE" WITH THEIR RECENT UNPROVOKED KILLING OF TWO AMERICAN OFFICERS IN THE DMZ OR WITH THEIR TUNNELING ACTIVITIES INTO SOUTH KOREA OR WITH OTHER

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CAIRO 11526 2714307

HARASSING TACTICS. AS FOR SEEKING TO USE THE KOREAN INCIDENT FOR ELECTION PURPOSES, HE SIMPLY DID NOT KNOW WHAT HE WAS TALKING ABOUT.

6. RATHER LAMELY, FAHMY SAID NORTH KOREAN ACTIONS LIKE PANMUNJON AND TUNNELING ARE SIMPLY "THE ORIENTAL WAY" AND WE SHOULD NOT ASCRIBE TOO MUCH IMPORTANCE TO THEM. I SAID I COULD NOT AGREE. AS HE SHOULD KNOW, WE HAVE LONG URGED A RESUMPTION OF THE SOUTH/NORTH DIALOGUE, WHICH THE NORTH KOREANS BROKE OFF. AS HE ALSO KNEW, WE HAVE SHOWN CONSIDERABLE FLEXIBILITY IN SEARCHING FOR WAYS TO DEFUSE THE KOREAN SITUATION, BUT WE HAD NO NORTH KOREAN RESPONSE. I COULD NOT ACCEPT HIS ALLEGATIONS THAT WE ARE AT FAULT AND COULD ONLY URGE ONCE MORE THAT HE RECONSIDER HIS POSITION AND WORK FOR A PEACEFUL SETTLEMENT.

7. FAHMY RESPONDED GOE IS TRYING TO DO SO. HE THEN ACKNOWLEDGED THAT HE IS TRYING TO "MEDIATE" BETWEEN SOUTH AND NORTH KOREA TO ARRANGE FOR A RESUMPTION OF THE DIALOGUE BETWEEN THE TWO. CONGEN CHANG HAD JUST INDICATED ROK'S WILLINGNESS TO ACCEPT EGYPTIAN MEDIATION. ASKED ABOUT NORTH KOREAN RESPONSE, FAHMY SAID HE WOULD BE TALKING TO DPRK AMB TODAY. HOWEVER, HE WAS NOT WORRIED ABOUT KIM IL SUNG'S RESPONSE. GOE KNOWS NORTH KOREANS AND IS CONVINCED THEY WANT A PEACEFUL SETTLEMENT. FAHMY EXPRESSED CONCERN THAT USG WILL TRY TO DISRUPT ANY SUCH EGYPTIAN MEDIATION EFFORTS TO ESTABLISH A DIALOGUE BY "FILIBUSTERING" IN SEOUL OR IN OTHER WAYS. IF WE REALLY WANT A PEACEFUL SETTLEMENT FAHMY ARGUED, WE SHOULD ACTIVELY SUPPORT GOE'S EFFORTS. I TOLD HIM OUR DESIRE FOR A PEACEFUL SETTLEMENT IN KOREA IS WELL ATTESTED AND HE MORE THAN MOST OUGHT TO BE AWARE OF THIS FACT. FAHMY CONTINUED TO GRUMBLE THAT WE MIGHT TRY TO DISRUPT EGYPTIAN MEDIATION EFFORTS.

8. COMMENT: GOE POSITION ON KOREAN ISSUE HAS NOT CHANGED/

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I DO NOT KNOW EXTENT OF WHICH SOUTH KOREAN CONGEN COMMITTED ROK TO EGYPTIAN MEDIATION, AS FAHMY CLAIMS, BUT HOPE TO SEE CHANGE IN THE NEXT DAY OR TWO TO GET A READING FROM HIM. MEANWHILE, WOULD APPRECIATE INSTRUCTIONS WHAT I SHOULD TELL FAHMY ABOUT

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CAIRO 11526 271430Z

OUR VIEWS ON EGYPTIAN MEDIATION EFFORTS.

9. HAVE JUST RECEIVED STATE 211662. APART FROM FAHMY'S COMMENTS REPORTED ABOVE, ONLY PRESS REACTION WE HAVE SEEN THIS FAR IS THAT REPORTED CAIRO 11437. EGYPTIANS HAVE CONCERNS OF THEIR OWN AND FOR MOST PANHUNJON INCIDENT IS NOT ONE OF THEM. EILTS

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TELEGRAM

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CAIRO 11575 281201Z

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ACTION NODS-00

INFO OCT-01 160-00 7021 W

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R 281128Z AUG 76
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 6502

Egypt

SECRET CAIRO 11575

NODIS

E.O. 11652: GDS
TAGS: PFOR, PINT, EG, LY
SUBJ: EGYPT AIR HIJACKING

REF: CAIRO 11545 AND PREVIOUS

1. IN ADDITION OMI GENERAL SHAKKAT'S COMMENTS REPORTED. PARA 3 REFTEL, SHAKKAT TOLD S/G SVENDSEN THAT EGYPTIANS HAD BEEN ASTONISHED TO FIND THAT THE TWO PISTOLS USED BY THE HIJACKERS WERE FOR BLANKS ONLY. THIS APPARENTLY ACCOUNTS FOR THE FACT THAT, DESPITE MUCH FIRING, THERE WERE NO BULLET HOLES IN THE AIRCRAFT FRAME. (HOWEVER, ONE OF THE STEWARDESSES WAS REPORTEDLY SLIGHTLY WOUNDED BY GUNFIRE, WHICH PROBABLY CAME FROM EGYPTIAN COMMANDOS.) SHAKKAT STRESSED VERY FEW PEOPLE IN GUE KNOW THIS. EGYPTIAN AUTHORITIES ARE WITHHOLDING THIS INFORMATION FROM THE JUDGE, THE COMMANDOS WHO STORMED THE PLANE AND ALL OTHERS.

2. SHAKKAT ALSO SAID THE TWO PALESTINIANS INVOLVED IN THE HIJACKING HAD BEEN DESTITUTE. THEY HAD COME FROM KUWAIT WITH 2,000 KUWAITI DINARS, BUT THEIR MONEY HAD RUN OUT. THEY THEREUPON PERSUADED THEIR EGYPTIAN HOST TO PARTICIPATE, ALTHOUGH EGYPTIAN NOW CLAIMS THAT HE THOUGHT HE WAS ACCOMPANYING THEM TO KUWAIT WHERE THEY HOPED TO OBTAIN SOME MORE FUNDS. HE PROFESSED TO BE SURPRISED ON LEARNING THAT THE AIRCRAFT HE AND HIS COMPANIONS HAD BOARDED WAS BOUND FOR LUXOR. AND THAT PALESTINIANS HAD TOLD HIM THAT THIS WAS SIMPLY A TRANSIT

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PAGE 02 CAIRO 11575 281201Z

STOP EN ROUTE TO KUWAIT. EGYPTIAN WAS APPARENTLY THE HIJACKER STATIONED AT THE BACK OF THE PLANE.

3. BECAUSE OF SENSITIVITY ABOVE INFORMATION AS FAR AS GDE IS CONCERNED, IT IS BEING SENT NODIS.

4. COMMENT: THERE HAS BEEN MUCH SPECULATION, ESPECIALLY AMONG MILITARY ATTACHE CORPS, THAT THE HIJACKING WAS STAGED BY THE EGYPTIANS. BLANK PISTOLS, IF THIS FACT BECOMES WIDELY KNOWN, WILL CERTAINLY FUEL SUCH A CONCLUSION. THUS FAR, TOO, THE THREE HIJACKERS HAVE NOT APPEARED IN PUBLIC, AS PROMISED EARLIER, EVEN THOUGH WE HEAR THEY WERE RELEASED FROM HOSPITAL IN ONE DAY. HOWEVER, EGYPTIAN TV HAS ANNOUNCED THAT THE CONFESSIONS OF THE THREE HIJACKERS WILL BE SHOWN LATER TODAY.

5. EGYPTIANS ARE CERTAINLY FULLY CAPABLE OF STAGING SUCH AN INCIDENT, ESPECIALLY TO IMPLICATE GADHAFI, BUT ALL THINGS CONSIDERED WE DOUBT THAT THIS ONE WAS STAGED. LIBYAN INVOLVEMENT, DESPITE GDE'S PLAYING UP THIS ASPECT, IS A BIT SLIM. COMMAND OPERATION WAS VERY MUCH FOR REAL. AND MOST OF AMERICAN PASSENGERS ABOARD HIJACKED PLANE TO WHOM WE HAVE SPOKEN ARE CONVINCED IT WAS THE REAL THING. HIJACKERS WERE STABBED AND WOUNDED AS WAS A STEWARDESS AND ONE OF PLANE CREW. WHILE THE AFFAIR MAY NOT HAVE BEEN QUITE AS HEROIC AS EGYPTIANS MAKE IT OUT TO BE, IT COULD HAVE BEEN DANGEROUS. HIJACKERS WERE OBVIOUSLY RANK AMATEURS, WHO--FORTUNATELY FOR ALL--BUNGLED BADLY FROM BEGINNING TO END.
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Egypt

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DE RUFHEG #1703 2442025
Z 312010Z AUG 76
FM AMEMBASSY CAIRO

TO SECSTATE WASHDC FLASH 6991
AMEMBASSY TEL AVIV FLASH 6994

SECRET CAIRO 11703

EXDIS
E.O. 11652: GDS
TAGS: ENRG PFOR EG IS US
SUBJ: ISRAELI HARASSMENT OF AMOCO IN GULF OF SUEZ
REF: CAIRO 11702

1. I SAW FAHMY HALF HOUR AGO. HE WAS CALM, BUT INSISTENT THAT MARINER SHOULD NOT RPT NOT LEAVE SITE DESPITE ISRAELI ULTIMATUM. SITE IS IN RAMADAN FIELD, WHICH IS EGYPTIAN. AMOCO WAS GRANTED CONCESSION BY SOE, WHICH NOW EXPECTS COMPANY TO FULFILL ITS OBLIGATIONS. HE CONFIRMED GAMASY HAD SENT EGYPTIAN GUNBOATS TO SITE TO PROVIDE PROTECTION. WHEN I MENTIONED AMOCO'S DESIRE TAKE CREW OFF MARINER, FAHMY STRONGLY OBJECTED. THIS WOULD BE PLAYING INTO ISRAELI HANDS. HE POINTED OUT NOT ONLY AMERICANS ARE ABOARD SHIP, BUT ALSO EGYPTIANS. ISRAELIS ARE BLUFFING AND SHOULD NOT BE ALLOWED TO GET AWAY WITH IT. FAHMY ALSO KNEW THAT I AM MEETING WITH GAMASY TOMORROW AND TOLD HE GAMASY WILL WANT TO DISCUSS THE INCIDENT WITH ME.

2. MEANWHILE, EMBOFF MET WITH CRAIG AND SANTA FE MANAGER BARKER. BARKER INFORMED HIM THERE ARE SIXTY-EIGHT CREW MEMBERS ABOARD MARINER, FORTY-EIGHT OF THEM EGYPTIAN AND TWENTY OTHER NATIONALS. BARKER BELIEVES OF THIS LAST NUMBER, ABOUT FIFTEEN MAY BE AMERICANS.

3. ACCORDING BOTH CRAIG AND BARKER, COMMUNICATIONS ARE BAD AND THEY HAVE NO DIRECT COMMUNICATIONS WITH MARINER. INSTEAD, THEY HAVE BEEN COMMUNICATING WITH ANOTHER AMOCO DRILLING RIG IN RAMADAN FIELD, WHICH IN TURN RELAYS MESSAGES TO MARINER. THEY HAVE HAD NO DIRECT WORD FROM

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MARINER. BEFORE LEAVING, SKIPPER HAD BEEN INSTRUCTED THAT, IF ISRAELIS ORDERED RIG OUT, HE WAS TO FILE FORMAL PROTEST INDICATING MARINER CONDUCTING LEGAL OPERATIONS, BUT THEN LEAVE. NEITHER CRAIG NOR BARKER KNOW EXACTLY WHAT MARINER SKIPPER IS DOING OR CONTEMPLATES. THE RIG IS UNDER SANTA FE CONTROL. BARKER DID HAVE A MESSAGE, RELAYED THROUGH ANOTHER RIG, THAT CREW AGITATED AND WOULD LIKE TO LEAVE.

4. CRAIG IS TRYING TO SEND WILKIE, GENERAL MANAGER OF SUPCO (JOINT EGYPTIAN/AMOCO OPERATING COMPANY), TO RAS SHUKAIR TONIGHT BY SPECIAL AMOCO AIRCRAFT TO TAKE CHARGE ON THE GROUND. HE DOES NOT KNOW IF GOE WILL GIVE PERMISSION FOR NIGHT-TIME FLIGHT TO RAS SHUKAIR.

5. SINCE WRITING ABOVE (1900 LOCAL), CRAIG SENT WORD THROUGH EMBOFF THAT A MESSAGE HAD JUST BEEN RECEIVED FROM THE MARINER. MARINER'S RADAR HAD PICKED UP WHAT IT BELIEVES TO BE FIVE ISRAELI GUNBOATS STANDING BY ABOUT TWO MILES EAST OF RIG'S POSITION. ABOUT AN HOUR AGO, THEY TURNED ON THEIR LIGHTS BRIEFLY TO SHOW MARINER THEY WERE THERE. SANTA FE MANAGER HAS INSTRUCTED FORMAN ABOARD MARINER THAT HE MUST DECIDE WHETHER CREW STAYS ABOARD OR LEAVES, AS INDICATED EARLIER, TWO WORKBOATS ARE NEARBY AND CRAIG INFORMS THAT A THIRD, NOW IN THE RAMADHAN FIELD, IS PROCEEDING TO THE MARINER. GIVEN AGITATION OF CREW, CRAIG EXPECTS THAT CREW WILL PROBABLY LEAVE IN NEXT COUPLE OF HOURS.

6. CRAIG UNDERTOOK BE IN TOUCH WITH ME, OR IF HE CANNOT GET THROUGH FROM MAADI BY PHONE, WITH EMBOFF TO ADVISE US OF ANY DEVELOPMENTS. CRAIG AGAIN INDICATED THAT EVEN IF CREW LEAVES, MARINER CANNOT POSSIBLY WHEED ANCHOR IN THE PERIOD STIPULATED BY THE ISRAELIS. HE IS STILL TRYING TO CONTACT MILAL IN HOPES OF PERSUADING HIM THAT MARINER MIGHT LEAVE, BUT IS NOT HOPEFUL THAT MINPET WILL AGREE.

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C O N F I D E N T I A L CAIRO 11702

EXDIS
E.O. 11652: GDS
TAGS: ENRG, PFOR, EG, IS, US
SUBJ: ISRAELI ACTION AGAINST AMOCO RIG IN RAMADHAN FIELD

1. UNLESS WE ACT QUICKLY, THE MAKINGS OF EGYPTIAN-
ISRAELI INCIDENT ARE IMMINENT.

2. ROSS CRAIG OF AMOCO TELEPHONED ME FEW MINUTES AGO
(1815 LOCAL) TO SAY THAT ONE HOUR EARLIER (1700 LOCAL)
AN ISRAELI GUNBOAT HAD ORDERED AMOCO RIG, MARINER,
WHICH MOVED TO 304.1 SITE TODAY, TO STOP PREPARATIONS
FOR DRILLING AND MOVE OUT IN EIGHT HOURS. RIG, WHICH
LEFT THIS MORNING AFTER UNHURSTED PRELIMINARY SURVEY
BY SMALLER VESSELS, PROCEEDED TO SITE THIS MORNING,
DROPPED ANCHORS AND WAS RAISING RIG PREPARATORY TO
DRILLING WITHOUT ANY ISRAELI MOLESTATION THROUGHOUT
THE DAY. ISRAELI GUNBOAT HAD APPEARED AS JACKING UP
OPERATIONS WERE GETTING UNDERWAY AND DELIVERED EIGHT-
HOUR ULTIMATUM. ISRAELIS APPARENTLY DID NOT INDICATE
WHAT MIGHT HAPPEN IF AMOCO RIG IS NOT REMOVED.

3. WHILE CRAIG WOULD LIKE TO CALL ISRAELI BLUFF, HE
IS CONCERNED ABOUT SAFETY OF AMERICAN FLAGSHIP AND
AMERICANS ABOARD THE RIG. HE HAS RECEIVED INSTRUCTION
FROM MINPET AHMED HILAL, THROUGH AN INTERMEDIARY, THAT
HE IS NOT WPT NOT TO MOVE THE RIG UNDER ANY CIRCUMSTANCES.
CRAIG DOES NOT WANT TO GO AGAINST HILAL'S WISHES,
BUT ALSO OBJECTS TO MARINER BEING USED BY EGYPTIANS TO
ASSERT THEIR RIGHTS. HE BELIEVES HE HAS NO FEASIBLE
OPTION BUT TO ORDER MARINER TO MOVE OUT UNDER PROTEST
AND TRY AGAIN TOMORROW. HE CONSIDERES THIS ISRAELI
ULTIMATUM AS FORCE MAJEURE, BUT IS CONCERNED THAT HILAL

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APPARENTLY DOES NOT, IN ANY CASE, CRAIG NOTES EIGHT HOURS, I.E., 0100 LOCAL SINCE MORNING, IS INSUFFICIENT TIME FOR RIG TO GET UNDERWAY, IT TAKES FIVE HOURS TO LIFT ANCHORS, RIG IS STILL AWAITING INSTRUCTION FROM AMOCO CAIRO HEADQUARTERS, WHICH CRAIG CANNOT GIVE UNTIL HE HAS WORD FROM HILAL, IN RESPONSE HIS QUERY FOR MY VIEW, I TOLD HIM THAT I THOUGHT ISRAELIS WERE WRONG IN WHAT THEY WERE DOING, BUT I ALSO DID NOT SEE WISDOM OF MAKING MARINER AND AMERICAN CREW GUINEA PIGS IN THIS MATTER, IF HE DECIDED ORDER RIG OUT, HE SHOULD DO SO UNDER PROTEST, CRAIG IS TRYING TO GET IN TOUCH WITH HILAL TO TRY TO ARGUE THE MINISTER OUT OF HIS STANDFAST POSITION.

4. WHILE I WAS TALKING TO CRAIG, HILAL TELEPHONED ME, WHEN I GOT HIM BACK, HE ALSO RELATED ABOVE INCIDENT, HILAL CONFIRMED HE HAD GIVEN AMOCO ORDERS NOT RPT NOT TO PULL OUT THE RIG, THE ISRAELIS ARE BLUFFING AND CRAIG'S FORMER ACTING CHIEF CAMPBELL, WHO WAS HERE LAST FALL, HAD SUCCESSFULLY CALLED SUCH ISRAELI BLUFF, HILAL SAID HE HAD BEEN IN TOUCH WITH FAHMY AND GAMASY AND GAMASY HAS GIVEN INSTRUCTIONS TO SEND EGYPTIAN GUNBOATS TO AREA IMMEDIATELY TO PROTECT MARINER, THESE GUNBOATS SHOULD BE AT AREA 304.1 SITE IN ABOUT TWO HOURS, GAMASY HAD SAID THAT IF ISRAELIS WANT TO FIGHT, THEY CAN HAVE IT, I TOLD HILAL THAT HE COULD NOT REASONABLY EXPECT AMERICAN SHIP AND AMERICAN CREWMEN TO BE IN FRONTLINE AND TO BE PAWNS IN THIS MATTER, HILAL STRONGLY OBJECTED, ACCORDING TO HIM, THEY ARE NOT IN FRONTLINE, BUT IN EGYPTIAN-OWNED RAMADAN OIL FIELD CARRYING OUT THEIR PROPER DUTIES, HE WANT THROUGH THIS SEVERAL TIMES, BUT HILAL WOULD NOT RPT NOT BUDGE, HE COULD NOT ACCEPT ANY FORCE MAJEUR ARGUMENT BECAUSE OF ISRAELI INTERVENTION, HE WAS ADAMANT THAT AMOCO NOT RPT NOT ORDER MARINER OUT, HE DID NOT ASK FOR SPECIFIC US INTERVENTION, BUT SAID THAT, SPEAKING IN BEHALF OF FAHMY AND GAMASY (AND HE WAS SURE THE PRESIDENT), HE WANTED US TO KNOW EGYPTIAN POSITION.

5. SINCE TALKING WITH HILAL, I WAS ABLE GET IN TOUCH WITH BOSS CRAIG AGAIN, IN VIEW HILAL'S INSTRUCTIONS, AND FACT THAT MARINER RIG CANNOT POSSIBLY LEAVE SIT BY 0100 WEDNESDAY MORNING, CRAIG SAYS HE HAS NO RPT NO OPTION BUT TO KEEP THE VESSEL AT SITE, HE IS CONCERNED ABOUT THE CREW, HOWEVER, ALTHOUGH ONLY ONE AMOCO EMPLOYEE IS ABOARD, THE REST ARE SANTA FE EMPLOYEES, HE IS CURRENTLY DISCUSSING WITH SANTA FE MANAGER BACKER WHAT BACKER WANTS DONE WITH ITS EMPLOYEES ON RIG, CRAIG HAS ASKED HILAL'S ASSISTANT, AYUTI, TO TRY TO OBTAIN PERMISSION OF EGYPTIAN MILITARY AT KAS SHUKAIR TO SEND HELICOPTERS TO THE RIG

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IMMEDIATELY TO TAKE THE AMERICANS OFF. HE DOUBTS THAT HE CAN GET SUCH PERMISSION, SINCE AMONG OTHER CONSIDERATIONS HELICOPTER OPERATIONS ARE DIFFICULT AT NIGHT. HE HAS TWO WORK BOATS STANDING BY NEAR MARINER FOR THIS SAME PURPOSE, PROVIDED HILAL AGREES THAT AMERICANS BE TAKEN OFF. HE IS NOW TRYING TO GET IN TOUCH WITH HILAL OR AYUTI TO OBTAIN GDE CONSENT TO TAKING AMERICANS OFF, BUT EXPECTS HINPET WILL OBJECT. ADDITIONALLY, SINCE AMOCO IS ALSO DRILLING THREE OTHER WELLS NEAR 384.1 SITE IN RAHADHAN FIELD, HE HAS SENT INSTRUCTIONS TO STOP THOSE DRILLING OPERATIONS. HE IS CONCERNED THAT IF FIRE-FIGHT DEVELOPS IN RAHADHAN FIELD BETWEEN ISRAELIS AND EGYPTIANS, ONE OR ANOTHER OF THESE DRILLING OPERATIONS MIGHT BE HIT WITH DANGER OF CONFLAGRATION. CRAIG IS EXPERIENCING CONSIDERABLE COMMUNICATIONS DIFFICULTIES BETWEEN CAIRO AND RAS SHUKAIR. HE WILL BE IN TOUCH WITH ME LATER TO LET ME KNOW HILAL'S AND SANTA FE MANAGER'S VIEWS RE REMOVING AMERICAN PERSONNEL. REQUEST DEPT INSTRUCT TEL AVIV BY FLASH MESSAGE TO APPROACH GDI TO TAKE NECESSARY STEPS TO DEFUSE THIS POTENTIALLY SERIOUS INCIDENT.
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No Objection To Declassification in Pa
rt 2012/02/13 : LOC-HAK-134-9-5-8

Charity for the Blind -- more money
for Mrs. Sadat's "Faith & Hope Society".

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TELEGRAM

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C O N F I D E N T I A L CAIRO 11639

EXDIS

EO 11652: GDS
TAGS: GPHY, USCI, EG
SUBJ: FAITH AND HOPE SOCIETY

REF STATE 203887,

1. SUMMARY: MRS SADAT ASKS FOR ADDITIONAL US HELP FOR FAITH AND HOPE SOCIETY. SO DOES MRS FAHMY. END SUMMARY

2. AT HER REQUEST, I MET WITH MRS SADAT YESTERDAY. AMONG OTHER THINGS ON HER MIND WAS FINANCING FOR THE FAITH AND HOPE PROJECT. PERKINGS AND WILL, AMERICAN ARCHITECTURAL FIRM, HAD JUST SUBMITTED ITS REPORT INDICATING CONSTRUCTION COULD BEGIN ON MAIN HOSPITAL BUILDING AS EARLY AS JAN 1, 1977. THEY HAD ESTIMATED TOTAL COST OF HOSPITAL AT ABOUT \$83 MILLION (AS SHE REMEMBERED THE FIGURE), OF WHICH ABOUT \$13 MILLION WILL FOR FOR EQUIPMENT.

3 MRS SADAT MADE A STRONG PITCH FOR FURTHER US FINANCIAL ASSISTANCE. SHE AGAIN CLAIMED THAT SHE HAD BEEN TOLD USG WOULD FIND THE MEANS TO FUND THE HOSPITAL. SHE HAD TO HAVE ADDITIONAL AMERICAN ASSISTANCE. I TRIED AS GENTLY BUT FIRMLY AS I COULD TO MAKE IT CLEAR THAT, WHILE USG REMAINS INTERESTED IN AND SYMPATHETIC TO FAITH AND HOPE PROJECT, I WAS NOT AWARE OF ANY US COMMITMENT TO FUND IT. AS I HAD TOLD HER LAST FALL, PRIOR TO THE SADATS' VISIT TO THE STATES, WE MIGHT BE ABLE TO ASSIST IN OBTAINING EQUIPMENT THROUGH THE CIP LOAN PROCESS, PROVIDED GOE GIVES THE PROJECT SUFFICIENTLY HIGH

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PRIORITY. (MRS SADAT INTERVENED TO SAY GOE WILL DO SO!) SINCE CONSTRUCTION HAS NOT YET BEGUN AND ADEQUATE WAREHOUSING FACILITIES ARE NOT EXISTENT, IT HARDLY SEEMED WISE TO BEGIN PURCHASING EQUIPMENT THROUGH THE CIP ROUTE NOW. (SHE AGREED).

4. AS FOR CONSTRUCTION COSTS, I TOLD HER THAT THE FEDERAL GOVT, IN ASSISTING STATE PROGRAMS, NORMALLY DOES NOT FUND CONSTRUCTION, BUT ONLY EQUIPMENT COSTS. SHE PROFESSED TO UNDERSTAND, BUT ASKED SOMEWHAT HELPLESSLY, "WHERE ARE WE GOING TO GET THE MONEY?" I SUGGESTED THAT THE WEALTHY ARAB STATES OUGHT TO BE A PRINCIPAL SOURCE. SHE AGREED AND SAID SHE HAS REGULARLY DISCUSSED THE MATTER WITH THE SAUDIS AND OTHERS. SHE HAD TOLD SAUDI MODA PRINCE SULTAN THAT, SINCE MANY OF THE BENEFICIARIES OF THE PROPOSED HOSPITAL WILL BE EGYPTIAN SOLDIERS WHO FOUGHT IN BEHALF OF THE ARAB CAUSE, SAG HAS AN OBLIGATION TO THE ARAB NATION TO CONTRIBUTE TO THE HOSPITAL. BOTH SULTAN AND PRINCE FAHD HAD SAID THEY WOULD HELP, BUT SHE THEN COMMENTED, "YOU KNOW THE ARABS-- THEY TALK A LOT ABOUT THEIR GENEROSITY, BUT DO LITTLE TO SHOW IT." SULTAN WILL VISIT EGYPT ON OCT 2 AND SHE INTENDS TO TACKLE HIM AGAIN ON THE SUBJECT.

5. I ALSO SUGGESTED SHE SHOULD AGAIN TRY THE PRIVATE AMERICAN AND FOREIGN FOUNDATIONS. WHILE MANY OF THE FOUNDATIONS ARE CURRENTLY HARD-PRESSED, THEY MAY, NEVERTHELESS, BE INTERESTED. I STRESSED, HOWEVER, THAT ANY SUCH APPROACHES, TO BE EFFECTIVE, WILL REQUIRE A PROFESSIONALLY DONE ANNUAL REPORT, INCLUDING DETAILED INCOME AND EXPENDITURE FIGURES. THIS IS NECESSARY FOR ANY ADDITIONAL USG AID THROUGH CIP OR OTHERWISE. SHE AGREED, CLAIMING SHE HAS BEEN PRESSING THE SOCIETY'S DIR, ADMIRAL SHUAITY, TO GET ON WITH THE JOB OF PRODUCING SUCH A REPORT.

6. LATER IN THE EVENING, MRS FAHMY TELEPHONED TO ASK ABOUT MY TALK WITH MRS SADAT. I TOLD HER WHAT I HAD SAID AND SHE SEEMED RATHER DISAPPOINTED. AT FAHMY'S PROMPTING, SHE WANTED TO KNOW WHETHER THERE IS NOT SOME WAY IN WHICH THE AID PROGRAM--OR OUR PL480 EGYPTIAN POUND HOLDINGS--CAN FINACE THE PROJECT. I TOLD HER THAT, APART FROM EQUIPMENT FINANCING THROUGH CIP, I DID NOT THINK THIS WAS LIKELY. I AGAIN MENTIONED THE ARABS AND THE FOUNDATIONS. SHE RECALLED THE SUBJECT

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