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Authority **EO 12958**

By **ABO** NARA Date **9/9/03**

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DE RUESKW #3801 2911514
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FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC IMMEDIATE 7930

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INFU AMEMBASSY ABU DHABI IMMEDIATE 0722
USINT ALGIERS IMMEDIATE 0239
AMEMBASSY BEIRUT IMMEDIATE 3372
AMEMBASSY CARACAS IMMEDIATE 0092
USINT CAIRO IMMEDIATE 0126
AMCONSUL DHAHRAN IMMEDIATE 1699
AMEMBASSY TEL AVIV IMMEDIATE 0389
AMEMBASSY LAGOS IMMEDIATE 0037
AMEMBASSY LONDON IMMEDIATE 1608
AMEMBASSY PARIS IMMEDIATE 0836
AMEMBASSY TEHRAN IMMEDIATE 1829
AMEMBASSY THE HAGUE IMMEDIATE 0050
AMEMBASSY BUNN IMMEDIATE 01234
AMEMBASSY ROME IMMEDIATE 0113
AMEMBASSY TOKYO IMMEDIATE 0159
AMEMBASSY TRIPOLI IMMEDIATE 0535
AMEMBASSY CEENNA IMMEDIATE 0074
AMEMBASSY JAKARTA IMMEDIATE 0050
USUN NEW YORK IMMEDIATE 0383
USMISSION DECD PARIS IMMEDIATE

S E C R E T KUWAIT 3801

BEIRUT PASS BAGHDAD
E.D. 1165Z GDS
TAGS: ENRC, PFOR, KU, US
SUBJECT: ATEEQI COMMENTS ON DAPEC MEETING
REF: (A) KUWAIT 3796 (B) KUWAIT 3800

1. I MANAGED TO CATCH MINFINANCE AND OIL ATEEQI FOR FEW MINUTES IN HIS OFFICE NOON OCTOBER 18 TO ASK HIM ABOUT JUST-ENDED KUWAIT OIL CONFERENCE.

2. ATEEQI SAID CUMULATIVE EFFECT OF INITIAL REDUCTION OF FIVE PERCENT OF OIL PRODUCTION FROM EACH DAPEC STATE WAS INTENDED TO RESULT IN COMPLETE EMBARGO

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

CIEP, HORMATS, COOPER

PSN:009240

PAGE 01

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ON OIL TO UNITED STATES BUT AT SAME TIME MINIMAL
PRIVATION TO ALL OTHER OIL CONSUMERS. SUCCEEDING
MONTHLY FIVE PERCENT REDUCTION WOULD OF COURSE
INCREASINGLY AFFECT OTHER CONSUMERS. IN CASE OF KUWAIT,
HE SAID, OIL EXPORTS TO US WERE LESS THAN TWO PERCENT.
THIS OIL WOULD BE HALTED RIGHT AWAY AND BALANCE OF THREE
PERCENT (AT MINIMUM) WOULD BE TAKEN OUT OF OIL TO OTHER
CUSTOMERS.

3. ATEEQI SAID MODERATES AT CONFERENCE HAD TO FIGHT
HARD TO HOLD DOWN DEMANDS OF OTHERS FOR MUCH MORE
DOMESTIC OIL CUTS. MODERATE THEORY THAT FINALLY WON OUT
WAS THAT OIL CUT-BACKS SHOULD SERVE PRIMARY AS
WARNING TO US AND OTHER CONSUMERS THAT ARAB OIL
PRODUCERS AS SERIOUS WS FRONT LINE FIGHTERS THAT ISRAEL
MUST GIVE UP OCCUPIED LANDS. US AND OTHER CONSUMERS MUST
LOOK TO WHERE THEIR INTERESTS LIE; THOSE THAT DID NOT
WOULD COME UNDER INCREASING PRESSURE AS MONTHS WENT BY.
ATEEQI SAID OPEC NOT RPT NOT CONCERNED ABOUT
ANY POOLING ARRANGEMENTS THAT MIGHT BE WORKED OUT BY
CONSUMERS. THE LONGER SATISFACTORY ARAB SETTLEMENT
WITH ISRAEL WAS DELAYED, THE SHORTER THE OIL SUPPLY WOULD
BECOME FOR EVERYONE. THIS IN ADDITION TO FACT THAT
MARGIN OF OIL AVAILABLE TO ANY ONE CONSUMER TO PASS ON
TO ANOTHER ALREADY VERY THIN.

really?
*

4. ATEEQI TOLD ME ABSENCE OF SPECIFIC MENTION OF UNITED STATES IN OPEC ANNOUNCEMENT WAS AT INSISTENCE OF SAUDIS.

5. I ASKED ATEEQI WHETHER HE DID NOT HAVE SOME OPTIMISM THAT PRUDIGIOUS EFFORTS NOW BEING MADE TO BRING CRISIS TO AN END WOULD SUCCEED. ATEEQI SAID HE FERVENTLY HOPED SO. HOWEVER, PRESENT MOOD OF ARABS WAS NOT ONE OF COMPROMISE. ALL ARABS AMRE IN THE FIGHT AND THOSE WITH ECONOMIC RATHER THAN MILITARY WEAPON HAD TO USE THEM.

STDLTZFUS

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