EYES ONLY 0721362 OCT 73

FROM: AMB. HEIMS, TEHRAN

1. AM SENDING THIS MESSAGE IN INTEREST OF SPEED AT THIS HOUR (0015L OCTOBER 8 LOCAL). IF YOU WANT IT REPEATED VIA NORMAL STATE CHANNELS, PLEASE ADVISE.

2. PRIME MINISTER HOVEYDA, AT SHAH'S INSTRUCTION, SUMMONED ME AT 2315 LOCAL TO READ ME CABLE TO SHAH FROM PRESIDENT SADAT TRANSMITTED VIA IRANIAN AMBASSADOR TO CAIRO WHO SAW SADAT EARLY AFTERNOON EGYPTIAN TIME OCTOBER 7. TO SUMMARIZE, CABLE GIVES OPTIMISTIC DESCRIPTION OF EGYPTIAN MILITARY POSITION ON EAST BANK OF SUEZ CANAL AND OF EGYPTIAN PROWESS IN CROSSING CANAL AND ESTABLISHING BRIDGEHEAD THERE. THEN CABLE REQUESTS SHAH TO INFORM PRESIDENT NIXON THAT EGYPT UNTIL NOW, IN ORDER TO AVOID FIGHTING, HAS BEEN READY TO ACCEPT PEACE UNDER CERTAIN CONDITIONS. HOWEVER, EGYPT HAS NOW BEEN OBLIGED TO FIGHT AND TO TAKE CASUALTIES. IT STILL WANTS PEACE, A LASTING PEACE IN THE AREA. SADAT WANTS PRESIDENT NIXON TO KNOW THAT IF ISRAEL WILL EVACUATE ALL THE TERRITORIES OCCUPIED SINCE JUNE 5, 1967, EGYPT WILL BE READY TO NEGOTIATE.

APPROVED FOR RELEASE.
DATE: MAR 2008
SINCERELY TO PLACE THESE TERRITORIES UNDER THE CONTROL OF THE
UNITED NATIONS, OR UNDER THE CONTROL OF THE FOUR BIG POWERS, OR
UNDER SOME OTHER INTERNATIONAL CONTROL TO BE AGREED. AS FOR
SHARON ASH SHEIKH, EGYPT IS PREPARED TO ACCEPT INTERNATIONAL
SUPERVISION OF FREEDOM OF NAVIGATION THROUGH GULF OF AGAPA AFTER
ISRAELI WITHDRAWAL. SAADAT WANTS SHAH TO EXPLAIN FOREGOING TO
PRESIDENT NIXON SO THAT CASUALTIES MAY BE STOPPED AS SOON AS
POSSIBLE.

3. SINCE SAADAT OFFER SET FORTH ABOVE STRUCK ME AS SOMEWHAT
IMPROBABLE, I ASKED HOVEYDA AND HIS BILINGUAL ASSISTANT TO
TRANSLATE THE CABLE FOR ME THREE TIMES.

4. NEW SUBJECT: IRAQ OFFER TO RENEW DIPLOMATIC RELATIONS
WITH IRAN WILL BE ANSWERED OCTOBER 28. IRAN WILL SAY THAT SINCE
IRAQ BROKE RELATIONS, IT IS UP TO IRAQ TO MAKE THE OFFER, WHICH IRAN
IS READY TO DISCUSS PROVIDED IRAQ IS PREPARED TO ACCEPT THAT THE
1937 AGREEMENT IS DEAD, THAT THE BRITISH COLONIAL HERITAGE IS
A THING OF THE PAST, THAT IRAQ WILL ABIDE BY EXISTING FORMS OF
INTERNATIONAL LAW. IN OTHER WORDS, IRAN WILL NOT TURN DOWN OFFER
OUT OF HAND TO AVOID GIVING IRAQIS PROPAGANDA ADVANTAGE BUT WILL
NOT THROW AWAY KURDISH CARD BY ACCEPTING ON IRAQI TERMS.
"BRITISH COLONIAL HERITAGE" REFERS TO IRAQ'S CONTINUING INSISTENCE THAT THE 1937 AGREEMENT ABOUT THE SHATT AL ARAB STILL OBTAINS.

S E C R E T/TELEPHONE ONLY