DECLASSIFIED SECRET

DEPARTMENT OF STATE WASHINGTON

May 12, 1982

MEMORANDUM FOR:

THE PRESIDENT

FROM

Lawrence S. Eagleburger, Acting Secretary

Dutch Cabinet Crisis. Labor Party Ministers resigned from the Cabinet today in disagreement with Prime Minister Van Agt's Christian Democratic Party and the third coalition partner, Democrat-66, on further budget reductions. A minority cabinet will continue in office until elections can be scheduled, possibly in the fall. Foreign Minister van der Stoel's duties are likely to be taken over by either Minister of Defense van Mierlo or by Van Agt himself.

Arabs Withdraw Threat Against Israeli Membership in the World Health Organization. The World Health Assembly in Geneva voted today on an Arab resolution condemning Israel. Before the vote, the sponsors agreed under pressure from many quarters to remove the provision that would have led to the curtailment of Israel's membership rights in the WHO. Our strong position against Israel's exclusion and threatened walk-out played a key role in eliminating the provision against Israel's membership rights. In the end, the Arabs agreed to amend their own text so that the milder alternative text proposed by the WHO's Director General would be withdrawn.

Israeli Build-Up on Lebanon Border Continues. Israel continued to strengthen its military posture on its border with Lebanon. While we do not believe that the Israelis have made a decision to initiate a major operation into Lebanon, it is likely that they are readying their units to act in the event of any substantial cease-fire violation by the Palestinians. We are continuing to caution all sides on the need for restraint.

Deputy Secretary's Meeting with Foreign Minister Cheysson. Walt Stoessel, in Paris for the OECD Ministerial, met with Cheysson yesterday to discuss the Versailles Summit, the Falklands and the Middle East. On Versailles, Cheysson urged that the meeting agree on a single, simple result such as a system for consultation on exchange rates that could be articulated after the summit. He said the Western European public was discouraged and needed to see the "end of the tunnel." Cheysson said France stands firmly with the UK on the Falklands and urged that we stay in close touch over the next few days in case there is a British landing on the Islands. On the Middle East, Cheysson expressed thanks for US intervention with Israel on the stationing of new French troops with UNIFIL, criticized Israeli policy in the West Bank, and urged that the Camp David Process be expanded and include Jordan. Walt said we intend to push ahead with the Autonomy Talks and eventually involve Jordan, although this did not seem possible at present.

MEMORANDUM

THE WHITE HOUSE

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WASHINGTON

SECRET ATTACHMENT

May 13, 1982

MEMORANDUM FOR THE PRESIDENT

FROM:

WILLIAM P. CLARK

SUBJECT:

Acting Secretary Eagleburger's Evening Report

Attached is Lawrence Eagleburger's Evening Report for Wednesday, May 12, 1982.

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver