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NATIONAL INTELLIGENCE DAILY CABLE

Tuesday 29 November 1977

CG NIDC 77/276C

State Dept. review completed

DIA review(s) completed.

[Redacted box]

NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions

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MIDDLE EAST: Diplomacy

[ ] Israeli Prime Minister Begin's speech to the Knesset yesterday contained no surprises or hints of greater flexibility. Begin did little more than recount the public events of the past two weeks and reiterate his desire for peace and for negotiations with all of the Arabs, except the Palestine Liberation Organization.

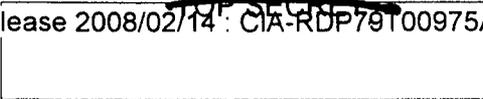
[ ] Begin repeated his agreement--this time formally--to hold an informal meeting in Cairo to prepare the way for the Geneva peace conference. He also named two senior bureaucrats to represent Israel, at least initially, at the talks.

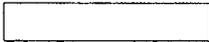
[ ] Both Begin's speech and his choice of representatives reflect Israel's decision apparently to take a cautious approach for now to Egyptian President Sadat's public initiatives. Begin and Foreign Minister Dayan have repeatedly sought to lower public expectations in Israel by insisting that Sadat's visit to Jerusalem does not mean that Israel must make substantive concession in return and that differences still remain to be resolved through negotiations. Indeed, Dayan has deliberately sought to blur the distinction between a concession that would help reduce Arab suspicions that Sadat is seeking a separate peace agreement and one meant only to reward Egypt.

[ ] By responding in low-key ways, Begin and Dayan may be hoping to reduce public pressures on them to move faster and further than they are now prepared or perhaps able to go in making concessions. At the same time, they wish to appear responsive to Sadat but avoid charges from Israeli hard-liners that they have given up too much in advance of real negotiations.

[ ] According to one usually well-informed Israeli correspondent, the Israeli Defense Ministry is preparing working papers in anticipation of the talks in Cairo. The working papers reportedly take for granted that Sadat cannot conclude a separate agreement with Israel now and that Israel must come up with some new ideas to resolve the Palestinian problem. The correspondent suggested that the Israelis might formulate compromise proposal somewhere between Dayan's functional plan for the West Bank and the demand for Palestinian autonomy.

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 Because of Libya's negative reaction to Sadat's diplomatic initiatives, the Egyptians are apprehensive about Libyan President Qadhafi's future moves. The Egyptians probably do not foresee a resumption of hostilities along the border, but they are taking the precaution of keeping a sizable military force in the area.

