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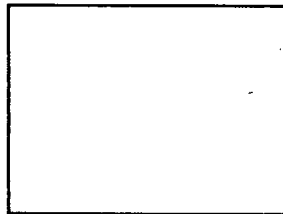
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NATIONAL INTELLIGENCE DAILY CABLE

Saturday 17 September 1977

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**NATIONAL SECURITY INFORMATION**  
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State Dept. review completed

~~Top Secret~~

(Security Classification)

ISRAEL: Foreign Minister Dayan

[redacted] Israeli Foreign Minister Dayan, who meets Monday with President Carter, is poles apart from Prime Minister Begin in temperament. Dayan is a pragmatist and a flexible, resourceful negotiator, while Begin, after more than a generation in opposition, remains an ideologue. Thus far, however, the two men--both strong-willed and independent--have worked well together.

[redacted] Begin, a neophyte in foreign affairs, seems genuinely to admire Dayan and value his unique knowledge of the US, the Arabs, and the peace negotiating process--a knowledge that is unmatched by any other member of the cabinet. Dayan is Begin's "idea man" and is in charge of the tactics the new Israeli Government has used in dealing with US-Israeli relations and Middle East peace talks.

[redacted] Dayan is by reputation a political maverick, a loner, and an opportunist. The latter charge was leveled at him when he bolted the Labor Party after the May election to join the Likud government. The hero of the June 1967 war, he once aspired to the prime ministership. There has been speculation that Begin may have chosen Dayan in part with the idea of grooming him as a successor should the Prime Minister's health fail again.

[redacted] Dayan, however, has little political following left. He was all but politically dead when Begin resurrected him--a casualty of public resentment over his and former Prime Minister Golda Meir's perceived failure to prepare for the Arab surprise attack in October 1973. In addition to his obvious skills and the prestige his international reputation lends the Likud government, Begin probably picked Dayan precisely because he does not present a political threat.

[redacted] One of the reasons Dayan accepted Begin's offer was because he believed he could contribute a much-needed measure of flexibility. The first indications of whether Begin will give his foreign minister the latitude he wants in peace negotiations should come during Dayan's talks with President Carter and other senior US officials in Washington and New York.

[redacted] Not long before the May election, Dayan indicated privately to US Embassy officials that he would be willing to give up the Sinai and Golan Heights in return for peace. He had

previously said publicly that he would also be willing to talk to the Palestine Liberation Organization. These views are obviously not shared by Begin, but the two men do agree on one important point: Israel must retain control of the West Bank.

[redacted] More innovative than Begin, Dayan has frequently proposed in the past some sort of functional autonomy for the West Bank Arab population that would allow the Israelis to continue to settle in the area and maintain security. Begin has neither endorsed nor publicly disowned this notion. The Israeli press has reported that Dayan will present such a plan in Washington in order to meet US insistence that Israel agree to negotiate with the Arabs over all three fronts.

[redacted] Dayan will also be ready to discuss the draft peace treaty Israel has submitted to the US and will doubtless put up a spirited defense of the Begin government's settlement policy. He is likely not only to make a legal case for the government's actions in the occupied territories, but also to argue that Begin has demonstrated restraint in the face of demands by his more militant followers, especially the Gush Emunim, to step up the settlement process. [redacted]

#### USSR-CHINA-US: Arms Sales

[redacted] *The USSR continues to be concerned that the US intends to offer military technology to China. The current issue of the Soviet weekly Literaturnaya Gazeta charges that China is trying to import modern weaponry, and Tass said on Wednesday that Senator Jackson favors such sales in order to "worsen" Sino-Soviet relations. China, while avoiding any show of great interest, has not ruled out the possibility of eventually purchasing military technology from the US.*

[redacted] // For the past several months, Soviet commentary has been carefully prepared to discourage what the USSR views as US consideration of arms sales to China. A Soviet official with the USA Institute affirmed this summer that the authoritative *Pravda* attack on China in May was designed in part for this purpose. He stressed that Moscow was primarily concerned with the political implications of such aid. The Soviets would interpret US arms aid to China as an indication that the West was moving toward a tacit alliance with China against the USSR.//