

DEPARTMENT OF STATE

BRIEFING MEMORANDUM

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To : The Secretary

From: NEA - Alfred L. Atherton INR - Harold H. Saunders

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Analysis of Arab-Israeli Developments
No. 305, November 28, 1977

By seizing the initiative in the peace process, Sadat has created very serious proplems for all of the states involved. For the first time in several months each of the parties is being forced to reevaluate basic policy positions and to reformulate their disposition toward a settlement. Sadat apparently believes that he is secure at home and has sufficient influence within the Arab world to force the pace of negotiations so that they do not bog down on procedural issues.

In accepting Sadat's invitation to a Cairo preparatory conference, the Israelis are taking a considerable gamble. Until now, the Israelis have refused to attend any peace conference where the PLO represents the Palestinians. If the PLO does attend, the Israelis will find themselves either giving de facto recognition to the PLO or withdrawing and scuttling the peace process in full public view. This latter course would also place intolerable strains on the new Israeli-Egyptian relationship.

Nevertheless, the Israeliss seem to consider this risk as worthwhile because they:

- --will be taking another step toward full Arab recognition by meeting with Arabs in Cairo; and
- --apparently believe that Sadat truly wants peace and will not take drastic steps which would undermine hopes for a settlement.

In any case, Sadat has managed to gain some Israeli flexibility on the PLO question.

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Whether the PLO will take advantage of this shift in Israeli policy is questionable. (We cannot confirm public reports that the PLO was invited.) The PLO would appear to have much to gain-de facto Israeli recognition. Nevertheless, the PLO spokesman in Beirut said they would refuse to go.

The Palestinian attitude appears based on:

- -- the overwhelming influence of Syria on the PLO;
- -- the PLO's inability to make difficult decisions.

The Palestinian movement, moreover, appears racked by internal bickering. We have had numerous reports in past weeks that several groups within the PLO are maneuvering for Arafat's ouster.

The probability that the PLO would either break into squabbling factions or fall totally under Syrian domination without Arafat, however, continues to give him great strength. This week will be a moment of truth for the Palestinians. If Arafat attends the rejectionist meeting in Tripoli on Thursday, it will be considered a break with the moderate Arabs. On the other hand, if he does not, Syria and the other rejectionists will consider that Arafat, at least, has broken with them.

The Syrians have been caught off balance by Sadat's action and they have reacted negatively. As you are aware, Damascus rejected Sadat's pre-Geneva conference meeting almost immediately. This action seems to be forcing Sadat to conduct bilateral discussions with the Israelis--a concept long opposed by Damascus.

In order to prevent any conference from occurring the Syrians have launched what seems to be a major diplomatic offensive.

reports indicate that they have made a similar approach to Waldheim. Moreover, Khaddam is scheduled to go to Moscow today in an attempt to get Soviet support in rejecting Sadat's approach.

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The Syrian attack on Sadat has also the come increasingly anti-US. The lead editorial in the Syrian daily Tishriin stated that Sadat's moves were the result of US attempts to remove Egypt from the Arab-Israeli conflict.

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OTHER DEVELOPMENTS

<u> Arab-Israeli:</u>

--Israel-Egypt-US: Embassy Tel Aviv noted that various quarters in Israel have been suggesting that Sadat's decision to go to Israel arose in large part from a frustration on his part with US policy. Private Embassy sources and the press have claimed that members of Sadat's party talked along these lines. We also note that Egyptian Acting Foreign Minister Ghali seemed to imply this in remarks on Thursday, when he said that, as a result of Sadat's trip, "the proportions have changed ... now the two opponents, Egypt and Israel, hold the cards."

-- Egyptian Reaction: The reaction of Egyptians from various walks of life to Sadat's call for a "Cairo conference" has been highly positive, according to Embassy Cairo. Moreover, a reawakening sense of Egyptian nationalism is palpable, with many saying that Syria and the PLO "can do what they want." Some educated Egyptians believe Sadat is indeed headed for a separate peace, but they argue that the "Egyptian people are ready for it." The Embassy commented that Sadat's room for maneuver seems to have been expanded, but this popular support could begin to erode in the near future unless Israel responds with significant concessions.

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--Algeria: Embassy Algiers noted that, while the Algerian media continues to castigate Sadat's trip to Israel, the strident tenor of these pronouncements has somewhat abated. This abatement, however, does not likely signify a shift in official Algerian thinking, but rather a holding action pending the return of presidential advisor Ibrahimi from his trip to Syria and Iraq.

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Tunisian President Bourguiba has privately expressed his admiration for Sadat and his decision to engage in direct discussions with the Israelis. Bourguiba's only reservation concerned the fact that Israel has not, in his view, done anything concrete to show that it recognizes the significance of Sadat's bold moves. Reflecting this official thinking, a commentary in the Tunisian newpaper L'Action has strongly criticized the Israeli attitude, saying that "Zionist policy has not changed in the least" and that the "extremists in Tel Aviv" have merely complicated the peace process.

Palestinians:

--Palestine Central Council: According to Damascus Radio,
PNC Chairman Fahum announced late Saturday in Damascus
that a special session of the Palestine Central Council
(PCC) would be held Wednesday. The PCC will discuss
"practical steps" to be taken to counter Sadat's initia-

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among the counter-moves being discussed by Palestinian circles, were: assassinating Sadat, encouraging
Egyptian political elements opposed to Sadat and mounting
terrorist operations within Egypt. Meanwhile, Arafat
met with the Soviet ambassador in Beirut last Saturday,
Jerusalem radio said.

International:

--PRC-Sadat Visit: Our Hong Kong Consulate reported that, regarding Sadat's trip, at least eleven commentaries have been carried by local PRC-controlled newspapers. In general, these commentaries have cautiously defended Sadat while questioning Israeli motives. The editorials have noted, however, that the visit has increased Arab disunity. Yesterday, the New China News Agency, in apparently its first coverage of Sadat's initiatives, gave a largely straightforward account which seemed implicitly favorable.

Lebanon:

--Lebanon-"Cairo Conference"; Paris AFP quoted "authoritative sources" in Beirut as saying that Lebanon would not accept Sadat's invitation to the "Cairo conference" among the parties to the Mideast dispute.

that the Phalange is now sending new contingents to
Israel for military training. A group of 200 militiamen
departed November 10 by sea to Israel. 75 of these men
will be deployed as part of a new unit in the Ras Naqourah
area of south Lebanon, after completion of their training.