

## BRIEFING MEMORANDUM

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The Secretary OF

INR - William G. Bowdler From:

NEA - Harold H. Saunders

Analysis of Arab-Israeli Developments No. 570, September 25,

## Egyptian Support for Sadat

Sadat has again proven his ability to read the mood of the average Egyptian. Hundreds of thousands turned out to greet and cheer him when he returned to Egypt. While strenuous efforts were mounted by government officials and cadres of Sadat's new party to ensure a massive reception, there was no doubting the genuine enthusiasm of the throngs. Embassy Cairo notes, however, that the crowds were somewhat smaller and relatively more subdued than those which welcomed him upon his return from Jerusalem.

The agreement's popularity among the masses is not surprising. In the months since launching his initiative Badat has skillfully exploited latent grievances of many Egyptians toward the wealthy Arabs and the Palestinians. We crystallized their vague feelings that daily hardships and frustrations resulted from the sacrifices the Egyptians have made on behalf of the Palestinians.

The attitudes of the Egyptian officers corp toward the agreements are also, thus far, positive:

--General Gamasy expressed his personal support for the agreements; and

the Camp David accords are welcomed by most officers.

The Egyptian military appears principally concerned that the agreements do, in fact, restore Egyptian sovereignty over the entire Sinai and, thereby, justify the army's sacrifices and uphold its honor.

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. The initial reaction of politically informed Egyptians is, however, less monolithic. On the one hand, business and professional people who can generally expect to benefit from peace are highly supportive. On the other, however, some journalists, university professors, students, and government officials have expressed reservations.

Many of those who have expressed reservations were initially supportive of Sadat's Jerusalem visit because he continued to adhere to basic Arab positions. They now are troubled that Sadat, has concluded an essentially bilateral agreement -- an assessment which is even shared by many of Sadat's most ardent supporters.

Any organized opposition to Sadat is likely to form around the amorphous Egyptian left and the conservative Muslim right:

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- -- The leftists have already voiced complaints that Sadat failed to regain real sovereignty over the Sinai (the Soviet Embassy is taking the same tack).
- -- The Muslim right is likely to make the failure to secure Jerusalem its rallying point.

Sadat's opponents apparently are refraining from making an issue of the negative reactions of the other Arab states because of the prevailing "Egypt-first" mood.

Looking ahead, Sadat's greatest challenge will be to prove that peace has arrived and is bringing economic henefits. Egyptians have learned to be skeptical about pronouncements that peace and prosperity are just around the corner -- they expected rapid economic development after Sadat's economic liberalization and "open door" policies which benefitted only a small group of entrepreneurs. Moreover, they were disillusioned when Sadat's Jerusalem visit failed to bring an equally dramatic Israeli response.

For these reasons, Sadat cannot take lightly an adverse Saudi reaction because his development plans depend upon a continuing generous inflow of foreign aid. This may prove especially so now since Egypt recently signed a loan agreement with the IMF which requires Sadic s government to put Egypt's economic house in order. Moreover, the Saudis, even hefore Camp David, were beginning to show signs of impatience with the slow pace of economic and governmental reform.

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A bandwagon effect is likely to rally many doubters to Sadat for now, but Sadat must perform skillfully to maintain this support. He can be expected to utilize every available opportunity to bolster Egyptian morale from announcing a new government of peace to praying at St. Catherine's monastery but, ultimately, he must deliver peace and prosperity.

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