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**Egypt, the Arabs, and  
the Peace Process**

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**An Intelligence Assessment**

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*NESA 82-10135  
April 1982*

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# Egypt, the Arabs, and the Peace Process

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## **An Intelligence Assessment**

*Information available as of 15 April 1982  
has been used in the preparation of this report.*

This paper was prepared by [redacted] Arab-  
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Analysis. Comments and queries are welcome and  
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**Egypt, the Arabs, and  
the Peace Process**

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**Key Judgments**

Egypt's key foreign policy objective after the Israeli withdrawal from eastern Sinai on 25 April is to end its isolation in the Arab world. President Mubarak and his advisers are convinced that a return to the moderate Arab camp will help maintain domestic stability, boost the country's economy, and enhance Egypt's regional leadership role.

Egypt's contacts with the other Arab states have increased dramatically since Mubarak took power last October and have included discreet talks with Saudi Arabia, Jordan, Iraq, Morocco, and the Palestinians. After April the Egyptians will make a major effort to convert these private discussions into a public rapprochement. While most moderate states are interested in a reconciliation, radical states like Syria and Libya will resist Egypt's return to the Arab fold.

To facilitate Cairo's rehabilitation, Mubarak is prepared to take a tougher position toward Israel and its policies. If there is no progress in the stalled autonomy negotiations this summer, Egypt will probably seek justification for abandoning the talks and will consider other negotiating proposals. Mubarak may also allow elements of Egypt's normalization of relations with Israel to wither and will criticize more harshly controversial Israeli actions like the recent crackdown on West Bank unrest. The Egyptians will not violate the military provisions of the Egyptian-Israeli peace treaty.

A gradual reconciliation with the moderates, especially Saudi Arabia and Jordan, probably will develop over the course of the summer and fall. A more rapid reconciliation between Egypt and the Arabs is possible if Israel invades Lebanon or takes other extremely controversial steps. Under such circumstances Mubarak will feel compelled to react sharply. He could withdraw Egypt's Ambassador or even break diplomatic ties with Israel. He would not go to war.

An eventual Egyptian-Arab rapprochement is probably inevitable and will have far-reaching consequences for US-Egyptian ties. A less isolated Egypt would be less receptive and less vulnerable to US influence. At the same time it would be better able to deal with its critics and could broker future Arab-Israeli contacts.

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**Egypt, the Arabs, and the Peace Process** [redacted]

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Egypt's chief foreign policy goal since the war with Israel in 1967 has been to regain the lost Sinai Peninsula. Egyptians hope that objective will soon be reached; Israel is scheduled to withdraw the last of its troops from the Sinai on 25 April. Last-minute Israeli allegations that Egypt was violating the peace treaty—largely unfounded—and hints that the withdrawal would be postponed worried Cairo and seem likely to have a negative impact on Egyptian-Israeli ties even if the withdrawal occurs on schedule. [redacted]

Mubarak is a much more cautious and methodical individual who eschews open confrontation. He also dislikes ambiguity and tends to simplify issues. His military training has encouraged him to value the advice of his staff. [redacted]

[redacted]

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If the withdrawal takes place as planned, Egyptian foreign policy will move into an era of transition. Egypt will continue to value close ties with the United States and peace with Israel, but a primary objective in the months ahead will be to end Egypt's isolation caused by the Arab rejection of the Camp David accords. [redacted]

**Mubarak's Foreign Policy Advisers**

Mubarak's chief foreign policy adviser and closest confidant is Usama al-Baz, who also serves as a deputy foreign minister. Al-Baz is known to favor a more independent foreign policy that is less intimately linked to the United States. Like many in the Egyptian diplomatic establishment, al-Baz believes Sadat went too far in accommodating US interests and in making concessions to Israel in the peace process. He wants to retain close ties with Washington but prefers that Egypt project an image of greater nonalignment, adopt a more balanced approach to the superpowers, and move closer to the Arabs. [redacted]

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**Mubarak's Style**

Since assuming power on 6 October 1981 Hosni Mubarak has moved quietly but forcefully to impress his own style on Egyptian foreign policy. He has emphasized his desire to improve Egypt's relations with the country's Arab neighbors and to refurbish the country's nonaligned credentials. Simultaneously he has sought to reassure the United States and Israel that he is committed to the essentials of Sadat's pro-Western foreign policy. [redacted]

The other key members of Egypt's foreign policy establishment, Foreign Minister Kamal Hassan Ali, Defense Minister Abu Ghazala, and Minister of State for Foreign Affairs Butrus Ghali, share much of al-Baz's world view. Ghali, a Coptic Christian, is an advocate of improving Egypt's ties to Third World countries like Yugoslavia and India. Ali and Ghazala are strongly pro-American but fear Egypt might become too dependent on the United States. [redacted]

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Mubarak's decisionmaking style is sharply different from that of his predecessor. Anwar Sadat was a man given to devising strategy on his own; he often isolated himself for days while he planned great initiatives like the 1973 war and his trip to Jerusalem in 1977. He also ignored the advice of his closest aides when he believed his own views were correct. Sadat increasingly saw himself as a "man of destiny," and on occasion his self-image tended to blur his perspective. [redacted]

Mubarak and these men believe that Egypt's chief foreign policy priority after Israel's withdrawal from Sinai is to end Egypt's isolation from Arab neighbors. They have already encouraged Mubarak to end media attacks on the other Arabs and to maintain a firm line [redacted]

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Figure 1. Mubarak and President Reagan with Foreign Minister Kamal Hassan Ali, Egyptian Ambassador Ghorbal, and Usama al-Baz. [redacted]



in negotiations with Israel. Mubarak's refusal to visit Jerusalem reflects the advice he is getting from his foreign policy experts. [redacted]

**The Domestic Setting**

A return to the Arab camp would be popular with the overwhelming mass of Egyptians. Although Egyptians tend to take a condescending view of their Arab neighbors, their country's isolation from the Arab world has become an increasing irritant. Egyptians can travel freely in most of the Arab world—some 1.5-2 million are employed in other Arab countries—but many feel uncomfortable cut off from the mainstream of Arab politics, ousted from the Arab League, and subject to criticism for allegedly "abandoning" their Palestinian and Arab allies. [redacted]

A public rapprochement with the other Arabs would be especially well received among the groups most critical of Mubarak. The largest opposition forces, the fundamentalist Muslim Brotherhood on the right and the loosely organized Nasirite left, both advocate closer ties with the Arabs and an end to relations with Israel. Mubarak's refusal to visit Jerusalem reflected, in part, his unwillingness to arouse the ire of these groups. The Islamic fundamentalist movement in particular takes a hard line on Jerusalem, an issue that arouses strong emotions among many Egyptians. [redacted]

Many Egyptians also hope that a rapprochement with the moderate Arabs will lead to renewed financial assistance from the Persian Gulf states, especially Saudi Arabia. Between 1974 and 1978 Arab states disbursed \$6.4 billion in economic aid and \$2.8 billion in military aid to Egypt. Saudi Arabia provided almost half of the economic aid and two-thirds of the military assistance. [redacted]

Egypt's mounting economic problems, caused in part by the soft world oil market and declines in tourism, Suez Canal revenues, and worker remittances, have increased the incentive for Mubarak to seek renewed ties with the Saudis and other potential Arab sources of aid. Egyptian military leaders especially hope that the Saudis can be encouraged to help fund replacements for aging Soviet tanks and aircraft. [redacted]

Mubarak also believes that closer links with the moderates would improve Egypt's security by creating a united front of anti-Soviet states that could confront the subversive activities of radical states like Libya and South Yemen. Egyptian officials have sought to play on the fears and insecurities of the moderates by promising Egyptian support against Iran and the USSR in the Persian Gulf. [redacted]

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The longing for better ties with the Arabs coincides with a growing disillusionment with Israel. Many Egyptians believe Israel has not lived up to the spirit of Camp David and has sought to humiliate Egypt by annexing Jerusalem and the Golan Heights. Israeli attacks on Iraq and Lebanon have added to Egyptian bitterness. Some believe Prime Minister Begin maneuvered Sadat into accepting a separate peace treaty that removed the pressure on Israel to negotiate a settlement of the Palestinian issue. Most Egyptians are convinced that Israel is determined to keep Egypt isolated from the other Arabs so that it can impose its will on the West Bank and Gaza without fear of serious Arab reprisals.

The disillusionment with Tel Aviv does not translate into support for a return to belligerency. Few if any Egyptians would favor another military encounter with the Israelis, and it is very unlikely that Egypt will violate the military protocols of the peace treaty. On the other hand, Egyptians see little advantage in continuing the normalization process or the stalled autonomy negotiations if these elements of the Camp David process stand between Egypt and the rest of the Arab world.

No major interest group in Egypt favors closer ties with Israel. The military is suspicious of Tel Aviv and still considers Israel its most likely future opponent. The Islamic establishment is strongly opposed to Israel's presence in Jerusalem, and few in the business community see much value in commercial ties with Israel. Barely 3,000 Egyptians have toured Israel since the treaty, versus some 50,000 Israeli tourists who have visited Egypt. Only some elements of the small Coptic community are nervous about resuming relations with the Arab world, and they have virtually no influence on Mubarak.

This is not to say that Egyptians do not have mixed feelings about their Arab brethren. Egyptians resented their dependence on Arab financial largess in the mid-1970s and do not want to beg Riyadh for aid. Moreover, they do not want to be dragged into another war with Israel by Syria or the Palestinians. Egyptians believe they can manipulate the Arabs, however, and can avoid becoming too dependent on them or ensnared in their politics.

# Dry Bones



Figure 2. An Israeli view of the cooling trend in Egyptian-Israeli relations.

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Many Egyptians expect some kind of rapprochement to develop this summer. Expectations are already unrealistically high about the chances of resumed Arab financial aid. If Mubarak fails to meet these expectations, at least in part, his standing at home will suffer. While he has performed impressively to date, the President is well aware that his position is fragile and that he has failed to engender widespread and deep popular support.

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### Quiet Contacts

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Ties with the other Arabs were never fully severed. Egypt retained links with most other Arab states through interest sections and the large Egyptian worker presence in many countries. (See table 1.) Discreet diplomatic contacts also took place after the initial storm of anti-Camp David emotions cooled.

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**Table 1**

**Egyptian Diplomatic Representation in Arab League Countries**

Embassy	Interest Sections	No Representative
Oman	Algeria	Libya
Somalia	Bahrain	South Yemen
Sudan	Djibouti	Syria
	Iraq	
	Jordan	
	Kuwait	
	Lebanon	
	Mauritania	
	Morocco	
	Qatar	
	Saudi Arabia	
	Tunisia	
	United Arab Emirates	
	North Yemen	

[Redacted]

Sadat placed increasing emphasis on developing contacts with the other Arabs during 1981, which Cairo labeled the "year of the Arab-Egyptian dialogue." In February 1981 Sadat negotiated an arms deal with Iraq, and in May he visited Khartoum, his first trip to another Arab country since signing the peace treaty with Israel. Had he lived, there is little doubt Sadat would have sought to develop these contacts into a full-scale rapprochement. His biting personal criticism of other Arab leaders, however, would have made such negotiations very difficult, and a reconciliation might not have been possible unless Sadat gained Arab favor by putting greater distance between Egypt and Israel. [Redacted]

Most Arab moderates seem pleased by Mubarak's performance to date and are eager to strengthen his hold on power. He traveled to Oman in February and has met with Sudanese President Nimeiri and Somali President Barre in Egypt to demonstrate his interest in restoring ties with the Arab world. [Redacted]

**Saudi Arabia and the Gulf**

Egypt's key priority is the development of improved relations with Saudi Arabia. [Redacted]

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[Redacted] 25X1

Mubarak has said publicly that Egypt is prepared to support Saudi Crown Prince Fahd's eight-point peace plan if the other Arabs endorse it. The Egyptians have also hinted that they would welcome Saudi efforts to secure US support for the Fahd plan as an alternative or supplement to the Camp David process. [Redacted]

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[Redacted] 25X1

Mubarak has apparently succeeded in persuading the Saudis to convince the Egyptian Muslim Brotherhood to give the Mubarak regime a chance and to minimize its opposition activity. Many prominent Brotherhood leaders fled to Saudi Arabia after Sadat's crackdown on the opposition last fall, and the Brotherhood has longstanding ties, including financial ones, with the Saudi royal family. [Redacted]

[Redacted] 25X1  
[Redacted] 25X1

The Egyptians have also increased contacts with the smaller Persian Gulf shaykhdoms that look to Saudi Arabia for leadership. Oman, which never broke ties with Cairo, has acted as an intermediary with the other Persian Gulf states including Iraq. Minister of State Ghali reportedly has visited the United Arab Emirates to discuss improving ties, and an Egyptian

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delegation attended a nonaligned movement conference in Kuwait in early April. Bahraini leaders have openly called for Egyptian-Arab reconciliation. [redacted]

Egyptian contacts with the Palestine Liberation Organization have also increased since Sadat's death.

[redacted] 25X1

The Saudis and other moderates apparently accept Mubarak's position that Egypt will not renounce the peace treaty with Israel to facilitate a return to Arab ranks, and none of the moderates are asking Egypt to do so. These states, however, are unwilling to take the first step toward restoring full diplomatic relations.

[redacted] 25X1

[redacted]

The Egyptians believe the PLO must ultimately be brought into the negotiating process, and Mubarak has reiterated Sadat's call for the United States to deal directly with the Palestinians. Egypt recognizes that the PLO is vulnerable to Syrian pressure and doubts that Arafat is ready to resume open ties with Cairo, but it hopes to maintain a quiet dialogue in order to keep Fatah from siding with the Arab radicals against Egypt's return to the Arab world. [redacted]

The Saudis' reluctance to take the initiative reflects their continued hostility to the Camp David process. Although they accept the Egyptian-Israeli peace treaty as a reality and welcome Egypt's return to the Sinai, they are unwilling to associate themselves in any way with the Camp David autonomy negotiations. A full-scale reconciliation may come after April only if the Egyptians can convince Saudi Arabia that such a move will not link Riyadh with Camp David. The smaller Gulf states will not act until the Saudis take the lead. [redacted]

**Iraq and the Gulf War**

[redacted] 25X1

**Jordan and the Palestinians**

Mubarak has also sought to improve contacts with King Hussein. [redacted]

[redacted] 25X1

[redacted]

The Egyptians calculate that the pressures of the war with Iran are gradually pushing the Iraqis into a closer relationship with the Saudis and other Gulf moderates and are leading to a moderation of Iraq's radical tendencies. Mubarak also believes that Egyptian support for Iraq will earn Egypt points with the Saudis and other Gulf states which strongly back Baghdad's struggle with Tehran. In early March the Egyptian leader for the first time expressed open support for Iraq by saying publicly that, while Egypt favors a negotiated settlement of the war, its sympathies are with Iraq. [redacted]

[redacted] 25X1

Hussein is convinced that Egypt must be brought back into the Arab decisionmaking process in order to strengthen the moderates' position. Initially the King seemed more willing than the Saudis and others to move toward a public rapprochement, but he is cautious and may wait for the Saudis to take the lead. [redacted]

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[redacted]  
[redacted] In early March an Egyptian cement company signed a contract to construct military installations in Iraq—the first commercial arrangement between an Egyptian firm and Iraq since Camp David. The Iraqi media have largely ceased attacks on Egypt. [redacted]

To date the Iraqis have shown little interest in improving political ties with Egypt or in aiding Egypt's efforts to rejoin the Arab world. Baghdad is deeply suspicious of Cairo's ties with the United States and is fundamentally opposed to Egypt's peaceful approach to settling the Arab-Israeli dispute. Moreover, the Iraqis have long regarded Egypt as a rival for influence in the Arab world and are not eager for Cairo to resume its role as leader of the moderate camp. [redacted]

Nonetheless, the war with Iran is likely to preoccupy the Iraqis for some time and has forced Baghdad to give secondary importance to Arab-Israeli issues in general. As a result, the Iraqis may be willing to accept tacitly improved ties between Egypt and other Arab countries. [redacted]

[redacted]

In addition, Egypt will seek to exploit Baghdad's recent military setbacks. [redacted]

[redacted] Cairo has reiterated its public offers to help defend the Persian Gulf, taken a more explicit pro-Iraqi stance, and increased arms sales to Baghdad. The Egyptians also may offer to send military training teams to the Persian Gulf states to help them improve their defensive capabilities. [redacted]

**Syria and Libya**

Syria is the Arab country that feels most betrayed by Sadat's treaty with Israel. Syria believes that the treaty left it isolated against Israel and constituted desertion of an ally. The Syrian press rejoiced after Sadat's death, hailing the "end of a traitor" and expressing hope that Egypt would soon return to confrontation with Israel. [redacted]

President Assad has claimed that Syria supports Egypt's return to the Arab camp, but Damascus probably will try to keep Mubarak isolated. Egypt and Syria are longtime rivals for influence in the Arab world, and Egypt's rehabilitation would erode Syrian influence. The Syrians will probably oppose any effort to restore Egypt's membership in the Arab League, arguing that Mubarak must first renounce the peace treaty and announce his support for the Baghdad Arab Summit resolutions that rejected the Camp David accords. [redacted]

Libyan leader Qadhafi also has little desire to see Egypt return to the Arab camp. Libya's radical views on the Arab-Israeli dispute are antithetical to the peace treaty, and Qadhafi has long sought to destabilize the Egyptian regime. Along with Syria, Libya the primary backer of the largest Egyptian exile opposition group, the National Front, headed by former Egyptian Chief of Staff Saad al-Shazli. [redacted]

Mubarak, as did Sadat in the year before his death, has sought to ease tensions with Libya. [redacted]

Nonetheless, the Egyptians are deeply suspicious of Libya and, despite promises to the contrary, Mubarak has upgraded Egyptian military forces deployed near Libya. The Egyptian leader is especially concerned about Libyan efforts, in cooperation with Tripoli's allies in the so-called Aden Pact—South Yemen and Ethiopia—to overthrow Sudanese President Nimeiri, Egypt's closest ally in the Arab world. [redacted]

**Implications for Israel**

Mubarak has repeatedly promised that Egypt will not attempt to gain favor with the Arabs by abandoning the peace process with Israel after April. He has told Israelis that they have nothing to fear [redacted]

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**Table 2**

**Key Outstanding Issues Between Egypt and Israel in the Autonomy Talks**

Issue	Egyptian View	Israeli View
Size and structure of self-governing authority (SGA)	SGA should have 80 to 100 elected representatives who would have legislative as well as administrative authority	Begin favors no more than 17 members, whose authority would be strictly administrative.
Security issues	SGA should have strong role in internal security, with Israel's role limited.	Israel should have full responsibility for internal security.
	Specified security locations for Israeli military to be small cantonments.	Specified security locations to be large, and Israel could, if it wishes, establish new civilian settlements within them.
East Jerusalem voting rights	Arab residents of East Jerusalem should vote for and participate in SGA.	Arab inhabitants of East Jerusalem should not vote for SGA, nor are they eligible to be elected to it.
Settlements	No new settlements and no territorial expansion of existing ones. Jewish settlers should be subject to laws of SGA.	Provision for new settlements and territorial expansion of existing settlements would have to be made. Jewish settlements would remain under Israeli control and not be subject to the authority of SGA.
Land rights	Aside from specified security locations and existing Israeli settlements, SGA should have full authority.	Only privately owned Arab land would be fully free of some measure of Israeli control. Public domain land would be subject to joint control of SGA and Israel.
Water rights	Provision must be made to permit Palestinians to redress Israel's currently disproportionate use of West Bank water.	SGA and Israel would jointly allocate water rights. If agreement not reached, status quo prevails.

[Redacted]

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[Redacted]

[Redacted] He and other Egyptian officials maintain that Egypt can have good relations with both Israel and the Arabs. These protestations are no doubt sincere, but Mubarak is well aware that any improvement in Egyptian-Arab ties will cause great concern in Tel Aviv, and that, conversely, the Arabs will expect Egypt to take a tougher line against Israel once the Sinai is returned. [Redacted]

with the other Arabs and will push hard for at least one Arab state to reopen its embassy in Cairo later this year. They hope that if one state acquiesces, the others will follow suit. [Redacted]

As time passes, Mubarak is likely to take additional steps to improve ties with the Arabs by putting more distance between Egypt and Israel. If there is no progress in the autonomy talks this summer—as seems likely given the wide gap between the two sides—the Egyptians probably will look for some pretext to abandon the negotiations entirely. The talks are already in abeyance because of Israel's insistence that at least part of the next round of negotiations be held in Jerusalem, a demand that Egypt rejects.

Mubarak is likely to move cautiously after 25 April to avoid unduly alarming the Israelis. The Egyptians are already planning to minimize ceremonies marking the return of the Sinai in order to avoid offending Israeli sensibilities. Mubarak has also said that he still plans to travel to Israel, although the dispute over the Israeli demand that he visit Jerusalem appears to rule out any prospect for an early trip. At the same time, however, the Egyptians are stepping up their contacts

[Redacted]

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The Egyptians, however, will be reluctant to withdraw precipitately from the autonomy talks because of fears that Israel will annex the West Bank and Gaza if negotiations collapse and that US-Egyptian relations will be damaged. Mubarak probably calculates that Israel will eventually give Egypt a justifiable pretext such as new measures to extend Israeli civilian rule over the West Bank or some military action against the PLO in Lebanon or against one of the radical Arab states. Mubarak could then argue that Israel, not Egypt, is to blame and that it is Washington's responsibility to ensure that Israel does not take other steps that would preclude meaningful future negotiations in some other form. [REDACTED]

In the months ahead Mubarak is likely to look for additional ways to demonstrate Egypt's opposition to Israeli policies. He is not likely to halt completely the normalization process, but he may allow parts of it to wither. New agreements on trade and cultural ties probably will be indefinitely postponed, and existing arrangements may be permitted to lapse. Private business arrangements are more likely to endure but remain limited in scope. [REDACTED]

Although Egypt may take action in other areas, it will almost certainly adhere scrupulously to the terms of the military disengagement protocols of the peace treaty. Cairo will also continue to support the multinational peacekeeping operation in eastern Sinai that Egypt views as a deterrent to Israeli moves to reoccupy the area. [REDACTED]

#### New Initiatives in the Peace Process

Mubarak will also seek alternatives to the current negotiating framework. He has already labeled the Saudi plan a "good draft" and probably is prepared to endorse any reasonable peace proposal that receives the blessing of another Arab summit conference. Mubarak has no illusions that Israel would accept such an Arab plan, but he would view Egyptian endorsement as a way to win the favor of Arab moderates. [REDACTED]

The Egyptians will probably be more supportive of West European peace proposals as well. Cairo has backed the European Community's Middle East initiative since Sadat visited France in January 1981, and Mubarak reiterated his interest in European

involvement during visits to London, Paris, Rome, and Bonn in February 1982. Egypt hopes that the Europeans can persuade the United States to deal directly with the PLO and perhaps even broker an indirect dialogue between Israel and the Palestinians. [REDACTED] 25X1

Mubarak may also encourage other European countries, including Austria and Romania, to continue their efforts to arrange discussions between Israel and other Arab states. Finally, the Egyptians may give lipservice to the Soviet Union's call for an international conference on the Middle East, although Mubarak will be reluctant to give the Soviets a major role in Middle East peacemaking. [REDACTED] 25X1

Cairo probably does not expect any of these initiatives to produce significant results in the near future. It does hope they will slowly push the United States toward direct dealings with the Palestinians and exert pressure on Israel to make major concessions that would attract other Arab countries into the peace process. In his contacts with the United States, Mubarak will increase calls for a US-Palestinian dialogue. [REDACTED] 25X1

#### Prospects for Egyptian-Arab Ties

Egypt's reconciliation with its Arab neighbors is likely to be a gradual process. The resistance from Arab hardliners like Syria and Libya will make a rapid improvement in relations difficult to accomplish. The Saudis and other moderates will also want to move cautiously to avoid the appearance of a shift in the opposition to Camp David. The presence of an Israeli Ambassador in Cairo will trouble some Arabs and hinder formal reconciliation. Even the Egyptians favor a gradual approach in order to avoid unduly alarming Israel and the United States. [REDACTED] 25X1

If the nonaligned movement summit conference in Baghdad takes place in September as scheduled, it will provide an opportunity for the Egyptians to hold high-level talks with other Arab leaders. Egypt also hopes that it will be invited to send a delegation to the Arab League summit to be held in Morocco later this year. Moroccan King Hassar has been quoted publicly as supporting at least token Egyptian representation. [REDACTED] 25X1

[REDACTED] By late summer Egypt's approaches to [REDACTED] 25X1

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the Arab world may begin to bear fruit, especially if the current autonomy process has been replaced by another negotiating format that does not bear the Camp David label. [redacted]

Even if the Saudis and other Arabs restore ties with Cairo, it is unlikely that massive Arab aid will immediately begin flowing to Egypt. The decline in world oil prices and Iraq's already heavy demand on Arab financial resources will limit the Arabs' ability and willingness to provide aid to Egypt. But even a modest Saudi package would be a significant political and economic boost for Mubarak. [redacted]

A more rapid improvement in relations is possible if Israel takes some new controversial and dramatic action similar to last year's air raid on Iraq's nuclear reactor. An Israeli invasion of Lebanon or air attacks on Syrian missile units in Lebanon would provoke heavy popular criticism in Egypt and the Arab world, and Mubarak would have little choice but to side with the other Arabs and strongly condemn the Israeli action. Egypt might choose to exploit such a development to boost its Arab credentials further and take other actions such as:

- Indefinitely suspending or even abandoning the autonomy talks.
- Recalling Egypt's Ambassador from Israel for consultations or downgrading relations to the charge level.
- Suspending the normalization process and revoking some agreements.
- Mubarak might even break diplomatic relations with Israel, retaining only an interest section in Tel Aviv. [redacted]

The Egyptians almost certainly would not go to war with Israel. Mubarak has publicly signaled the PLO and Syria that Egypt will not come to their aid in the event of another war. Egypt did not send troops to Lebanon when Israel invaded the country in 1978, and it is even less likely to do so today. [redacted]

A major change in the Iran-Iraq war could also spur more rapid Egyptian-Arab contacts. If the Iraqi military collapses and Iran becomes the dominant military power in the Persian Gulf, the Gulf states

may look to Egypt to aid in their defense. The Egyptians would be reluctant to send sizable numbers of troops to the Gulf, but they would be eager to restore relations and send military training teams. [redacted]

**Implications for the United States** 25X1  
A gradual improvement in Egyptian-Arab relations is likely to have both positive and negative consequences. On the positive side, it would help strengthen the moderate Arab camp. Egypt would advocate a negotiated settlement to the Arab-Israeli dispute and might even be able to broker contacts between Israel and some other Arabs, perhaps including Saudi Arabia. [redacted] 25X1

An Egyptian-Arab reconciliation would also assist US efforts to develop stronger regional security relationships among Arab moderates. [redacted] 25X1

Arab financial aid for Egypt would also serve to improve the prospects for domestic stability in Egypt, at least in the short run. Arab money could also increase Egypt's ability to purchase sophisticated military equipment from the United States. [redacted] 25X1

Improved Arab-Egyptian ties would have drawbacks for the United States, however, especially if Egyptian-Israeli relations deteriorate markedly. Any collapse of the autonomy negotiations would be a setback to US policy and could provoke Israeli annexation of the West Bank and Gaza, seriously complicating efforts to find an alternative negotiating format. A dramatic downturn in Egyptian-Israeli ties caused by an Israeli incursion into Lebanon or some other confrontation would lead to demands from both Cairo and Tel Aviv for Washington to pressure the other. [redacted] 25X1

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Even without a crisis in Israeli-Egyptian relations, improved Arab-Egyptian ties may lead to some friction with the United States. The Saudis and other Gulf states have generally been critical of Egypt's close military relationship with the United States, especially Egypt's willingness to participate in joint military maneuvers with American forces. The Egyptians might be less willing to continue the more highly visible aspects of US-Egyptian military cooperation if they concluded that such activity would harm budding relationships with such states as Saudi Arabia.

[REDACTED]

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Friction may also develop as Mubarak seeks to improve Egypt's nonaligned image. A more active role in the nonaligned movement, however, should not be interpreted as a rejection of US ties. Improvements in the tone of Soviet-Egyptian ties, including the possible return of a Soviet Ambassador to Cairo, should also not be interpreted in the West as a dramatic change in Egypt's approach to Moscow. [REDACTED]

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