



**In the name of Allah  
the most  
Compassionate and Merciful**

ISRAEL HAD, THERE FOR, ENTERED INTO NEGOTIATION WITH IRANIAN AUTHORITIES TO OBTAIN HER NEEDED OIL, AND LATER BOUGHT IT DIRECTLY AND SECRETLY FROM NATIONAL IRANIAN OIL COMPANY. DOCUMENTS ( 25-29 ) EXPRESS THIS FACT.

THE INTERESTING POINT IS THAT SHAH PROCLAIMED THAT ONCE ISRAEL RETREATS FROM THE OIL PRODUCING REGIONS OF SINAI (ABU QURAI'S OIL WELLS), IRAN WOULD PROVIDE HER WITH NECESSARY AMOUNTS OF OIL. THIS WAS A MEANS ENCOURAGING ISRAEL TO ACCEPT KISSINGER'S POLICIES, AND ALSO WORKED AS AN INCENTIVE TO CAMP DAVID. SHAH HAS SAID THAT HE WANTS TO COORDINATE TWO POLICIES, NAMELY, THE POLICY OF OIL-SALE TO ISRAEL, AND THE POLICY OF AMERICAN ARMS-SALE TO ISRAEL.

ANOTHER OIL RELATED ISSUE WHICH IS OF ESPECIAL IMPORTANCE IS THE PORT ILLIAT ESHQUELON PIPELINE.

SUEZ CANAL, THROUGH WHICH THE MAJORITY OF CARGO SHIPS AND OIL TANKERS TRANSPORTED NECESSARY AMOUNTS OF GOODS AND ENERGY BETWEEN EUROPE AND ASIA, WAS CLOSED COMPLETELY DUE TO ARAB-ISRAELI CONFLICT, AND THEY HAD TO REVERT THEIR TRAFFIC TO THE CAPE OF GOOD HOPE IN SOUTH AFRICA WHICH MADE THEIR DESTINATIONS MANY THOUSAND KILOMETERS FARTHER. ZIONISTS PROVIDED A PLAN BY WHICH SHIPS COULD ENTER ILLIAT PORT ON GULF OF AKABA AND TRANSPORT THEIR OIL THROUGH ESHKELON PIPELINE TO MEDITERRANEA, AND FROM THERE TO EUROPE, BY RELOADING TANKERS. BUT TO IMPLEMENT THIS PROJECT THE ONE SOURCE OF OIL THAT COULD GUARANTEE THE USE OF THIS PIPELINE HAD TO BE FOUND, AND NATURALLY THEY SOUGHT SHAH'S COMPROMISE, AND HE WAS VERY FOND OF THIS PROJECT. THIS PROJECT WAS SO IMPORTANT, THAT THE U.S. BEING FEARED OF ARAB REACTION, DID NOT DARE INTERVENE IN IT, BUT AHAD DEMONSTRATED HIS INCREASING DEPENDENCE ON THE ZIONIST REGIME, AND IN IMPLEMENTING AND EXPLOITING THE PROJECT ACTED PARALLEL WITH ZIONISTS. MANY DOCUMENTS OF THIS BOOK ( 21 ..... ) ARE REMINISCENT OF THIS FACT.

DOCUMENTS NUMBERED 2,3,5, AND 21 ARE RELATED TO IRAN ISRAELI RELATIONSHIPS AND TO THE ISRAELI ACTIVITIES IN IRAN, AND TO PROVE THE SIGNIFICANCE OF THIS RELATIONSHIP, IT MUST BE NOTED THAT THE ISRAELI AMBASSADOR TO IRAN WAS AN IMPORTANT MEMBER OF ISRAELI GOVERNMENT WHO WAS ALSO ADVISOR TO THE FORMER PRIME MINISTER OF ZIONISTS ( 21 ) AND THAT THE NUMBER OF ISRAELI TECHNICIANS IN IRAN WAS MORE THAN THEIR PRESENCE ANYWHERE ELSE IN THE WORLD ( 5 ).

THESE TECHNICIANS WERE, OF COURSE, SERVING ZIONISTS IN COMPANIES RELATED TO PAHLAVIES, AND THUS WERE ENGAGED IN PLUNDERING IRANIAN PEOPLE. AT THE SAME TIME, DOCUMENTS NUMBERED 2, AND 4 DEMONSTRATE THE FEAR THE REGIME HAS OF THE PUBLIC'S DISCOVERY OF THE IRAN-ISRAELI RELATIONSHIP, LEST IT SHOULD PROVOKE THE MASSIVE DISSENTION OF THE IRANIAN PEOPLE AND THAT OF THE IRANIAN COMMITTED CLERGY.

DOCUMENT NUMBER ONE SHOWS THE ACTIVITIES OF THE ISRAELI INTELLIGENCE SERVICE IN HIRING MERCENARY WRITERS TO IMPLEMENT THE TOTALLY ZIONIST POLICIES. IT WAS SUBSTANTIALLY BY RELYING ON THESE SAME KIND OF WRITERS AND CORRESPONDENTS THAT THE ZIONISTS SUCCEEDED IN EXTENDING THE INFLUENCE OF THE ZIONIST NEWS WITHIN THE WESTERN AND AMERICAN NEWS AGENCIES AND TELEVISIONS, AND TAKE THEM INTO THEIR OWN CONTROL.

AMONG THE ISLAMIC COUNTRIES, AFTER IRAN, THE AMERICAN REGIME OF TURKEY WAS ANOTHER STATE WHICH HAD ESTABLISHED MOST IMPORTANT RELATIONS WITH ISRAEL, AND THIS RELATIONSHIP EXISTED IN ALL MATTERS OF CO-ORDINATION AND ESPECIALLY INTELLIGENCE RELATED ISSUES ( REFERENCE TO THE PAST DOCUMENTS ) AND THE DOCUMENT NUMBER 4 PROVES THE DEPENDENCE OF BOTH REGIMES' DIPLOMATS.

IMAM'S MESSAGE ON THE DAY OF QUDS

IN THE NAME OF ALLAH, THE COMPASSIONATE THE MERCIFUL.

THE DAY OF QUDS IS THE LAST FRIDAY OF THE HOLY MONTH OF RAMADHAN , AND THE NIGHT OF QADR IS MOST PROBABLY, ONE OF THE NIGHTS DURING THE LAST TEN DAYS OF RAMADHAN, A NIGHT WHOSE REVIVAL IS A GODLY TRADITION, AND MORE MERITORIOUS AND EXALTED THAN A THOUSAND MONTHS OF HYPOCRITES, SINCE THE DESTINATION OF THE WHOLE CREATION WAS DESIGNED DURING THAT NIGHT ONLY.

THE DAY OF QUDS WHICH IS EQUAL TO QADR MUST BE REVIVED AMONGST MUSLIMS TO BECOME THE ORIGIN OF AWAKENING AND CONCIIOUSNESS AMONG THEM, AND TO MAKE THEM DISCARD THE HISTORICAL AND THE RECENT CENTURIES OBLIVION AND NEGLECT UNTIL THAT DAY OF AWAKENING AND CONCIIOUSNESS TURNS WORTH MORE THAN A DECADE OF THE WORLD'S SUPERPOWERS AND HYPOCRITES, SO THAT MUSLIMS OF THE WORLD MAY BE ABLE TO DESIGN AND FOUND THEIR DESTINATION ON THEIR OWN. DURING THE NIGHT OF QADR, BY STAYING UP AND PRAYING, MUSLIMS MUST RELIEVE THEMSELVES OF THE SLAVERY OF OTHER THAN ALLAH, THAT ARE JINN AND MANLY DEVILS, AND ONLY TURN INTO THE SLAVES OF ALLAH , AND ON THE DAY OF QUDS, WHICH IS ONE OF THE LAST DAYS OF THE GRAND MONTH OF ALLAH, IT IS MOST COMPETENT FOR THE MUSLIMS OF THE WORLD TO FREE THEMSELVES FROM THE SLAVERY OF THE BIG SATANS AND THE SUPERPOWERS , AND JOIN THE IMMORTAL POWER OF ALLAH, AND CUT THE HANDS OF THE HISTORICAL CRIMINALS FROM THE COUNTRIES OF THE OPPRESSED AND DESTROY THEIR GREES.

O' MUSLIMS AND THE OPPRESSED OF THE WORLD RISE AND RUN YOUR OWN AFFAIRS HOW LONG ARE YOU GOING TO LET WASHINGTON AND MOSCOW DETERMINE YOUR FATE? FOR HOW LONG MUST YOUR LAND OF QUDS BE TREADED OVER UNDER THE BOOTS OF AN AMERICAN SCUM , THE USURPER ISRAEL? FOR HOW LONG MUST THE LAND OF PALESTINIAN QUDS , LEBANON AND THE OPPRESSED MUSLIMS OF THAT PART BE UNDER THE DOMINATION OF CRIMINALS AND YOU WATCH, AND SOME OF YOUR TREACHEROUS RULERS HELP THEM? FOR HOW LONG MUST , MORE THAN A BILLION MUSLIMS AND A HUNDRED MILLION ARABS WITH THEIR EXTENSIVE COUNTRIES AND RESOURCES , WITNESS THE PLUNDRINGS OF THE EAST AND THE WEST, AND BEAR THEIR AND THEIR SCUM'S OPPRESSION AND INHUMANE MASSACRES? FOR HOW LONG ARE THEY GOING TO ENDURE THE HORRIBLE CRIMES COMMITTED AGAINST THEIR AFGHAN AND LEBANESE BRETHREN AND STAY QUIET? WHEN ARE THEY GOING TO STOP APPROACHING THE SUPERPOWERS POLITICALLY AND COMPROMISINGLY, AND INSTEAD OF ALLOWING ISRAEL TO COMMIT CRIMES AND MASSACRES, WHEN ARE THEY GOING TO COUNTER THE ENEMIES OF ISLAM, AND SAVE QUDS BY THE MEANS OF ARMS, MILITARY AND GODLY MIGHT? DON'T THE HEADS OF NATIONS KNOW AND HAVE THEY NOT UNDERSTOOD THAT NEGOTIATING POLITICALLY WITH POWERFUL POLITICIANS AND THE CRIMINALS OF HISTORY IS NOT THE MEANS OF FREEING QUDS, PALESTINE AND LEBANON, AND THAT EVERDAY THE VOLUME OF THEIR CRIMES AND OPPRESSIONS WILL INCREASE?

TO FREE QUDS, ONE MUST RELY ON MACHINGUNS THAT ARE DEPENDENT UPON FAITH AND THE POWER OF ISLAM, AND NOT POLITICAL GAMES THAT ARE REMINISCENT OF COMPROMISE AND THE SATISFACTION OF SUPERPOWERS.

MUSLIM NATIONS, ESPECIALLY PALESTINIAN AND LEBANESE NATIONS MUST PUNISH HOSE WHO WASTE TIME WITH POLITICAL MANEUVERINGS, AND AVOID POLITICAL GAMES THAT HAVE NOTHING FOR THE OPPRESSED PEOPLE BUT HARM. FOR HOW LONG ARE MUSLIMS GOING TO BE INFATUATED BY FALSE HEROES OF THE EAST AND WEST , AND BE ORRIFIED BY THEIR PROPAGANDAS? MUSLIMS WHO WITHOUT MILITARY EQUIPMENTS AND WITH HEARTS FULL OF FAITH AND TONGUES CARRYING THE WORD " ALLAH IS THE REATER " MADE THOSE GRAND CONQUERS AND BROUGHT ABOUT THOSE SURPRISING UPLIFTS ONLY DURING HATF A CENTURY AND FOUNDED ISLAM AND THE WORSHIP OF ALLAH ( TUHID ) IN THE POWERFUL WORLD OF THAT DAY.

IF MUSLIMS HAVE FORGOTTEN THOSE TRIUMPHS AND CHANGES THAT ARE REGISTERED IN HISTORY, THEY HAVE EXPERIENCED THE VICTORY OF THE COMBATING IRANIAN NATION WHO FOUGHT LIKE THE SOLDIERS OF THE ONSET OF ISLAM HAVING FAITH AS THEIR ONLY ARMS. THE WORLD AND ITS MUSLIMS WITNESSED HOW THE ZEALOUS IRANIAN NATION FOUGHT SUPERPOWERS AND THEIR INTERNAL AND EXTERNAL DEPENDENTS, EMPTY-HANDEDLY, AND DESPITE THE THUNDEROUS PROBLEMS, BROUGHT ABOUT THE GLORIOUS ISLAMIC REVOLUTION, AND THREW THE HISTORICAL CRIMINAL OUT OF THEIR BELOVED COUNTRY, AND WITH A HEART FULL OF FAITH AND BELIEF NEUTRALIZED THE PLOTS OF AMERICAN LEFTISTS, AND THE RIGHTIST GROUPS, AND MEN AND WOMEN, THE ELDERS AND THE YOUNGESTERS STAYED BRAVELY ON THE SCENE AND DEFINED THEIR OWN DESTINATION, AND TODAY THROUGH THE WILL OF GOD-ALMIGHTY THE FOUNDATION OF ISLAMIC REPUBLIC HAVE FALLEN IN THE HANDS OF THOSE DEVOTED TO THIS SCHOOL OF THOUGHT AND FAITHFUL, TO THE ISLAMIC REPUBLIC, AND HAVE OUSTED THE PLOTTERS AND INTRIGUERS, AND TODAY IRAN, DESPITE FOREIGN, AMERICAN AND ZIONIST MEANS OF PROPAGANDA, IS HEADING FOR FINAL CONSTRUCTIVITY AND THIS IS A LESSON FOR ISLAMIC COUNTRIES AND THE OPPRESSED OF THE WORLD TO DISCOVER THEIR ISLAMIC MIGHT, AND RESIST THE BRAWLS OF EAST AND WEST AND THEIR DEPENDENTS AND SCUMS, AND RISE WITH FAITH IN GOD-ALMIGHTY AND DEPENDENCE ON THE POWER OF ISLAM AND FAITH, AND CUT THE HANDS OF CRIMINALS FROM THEIR COUNTRIES AND CONSIDER THE FREEDOM OF HOLY QUDS AND PALESTINE AS THEIR PRIMARY GOAL, AND DESTROY THE ZIONIST DOMINATION WHICH IS THE SUBSERVIENT OF AMERICA, AND KEEP THE DAY OF QUDS ALIVE, IN THE HOPE THAT BY KEEPING THIS DAY ALIVE, INDIFFERENCES AND NEGLECTS ARE WIPED OUT, AND THROUGH THE RISE OF HONORABLE NATIONS, MAY THOSE TREACHEROUS HEADS WHO IN COOPERATION WITH ISRAEL AND AMERICA, AND DESPITE THE WILL OF ISLAM AND THE MUSLIMS LEAD THEIR DISGRACEFUL POLITICAL AND CRIMINAL LIVES, BE OUSTED FROM THE SCENE, BURIED IN THE GRAVE-YARD OF HISTORY. THE USURPER RULERS (LIKE ISRAEL AND SADDAM) WHO IN THE WAR BETWEEN INFIDELS AND THE MUSLIMS HAVE TAKEN SIDE WITH INFIDELS AND STRIKE BLOWS AT ISLAM AND THE MUSLIMS MUST BE OUSTED FROM THE SCENE OF ISLAM AND THE RULE OF THE MUSLIMS.

THE HONORABLE NATION OF EGYPT, IRAQ AND THE COUNTRIES DOMINATED BY HYPOCRITES MUST RISE AND STOP LISTENING TO THE CORRUPT SPEAKERS WHO TRY TO DEMONSTRATE THESE CRIMINALS AS MUSLIMS, AND RESIST THE NULL AND VOID POWER OF THESE TRAITORS, MUSLIMS AND THE WORLD WITNESSED THAT THE AFLAQI SADDAM THE SUBSERVIENT OF U.S. ATTACKED IRAN WHICH HAS THOUGHT ABOUT NOTHING BUT ISLAM AND THE MUSLIM AFFAIRS, AND HE WAS SO DEFEATED THAT CURRENTLY HE HAS RESORTED TO THE ARAB RULERS AND ISRAEL IN ORDER TO PREVENT HIS FINAL OVERTHROW, AND THE IRANIAN NATION AND THE BRAVE ARMED FORCES HIT HIM AND HIS CRIMINAL SUPPORTERS SUCH A HARD BLOW THAT HE HAS NO WAY OUT BUT EITHER TO SUBMIT OR TO FALL AND HIS STUPID TRICKS AND THE ZIONIST PROPAGANDAS ARE NOT ABLE TO HELP HIM. IRANIAN NATION, GOVERNMENT, PARLIAMENT, ARMY AND THE REST OF THE ARMED FORCES ARE DETERMINED TO RESIST ANY DEVILISH POWER THAT TRESPASS HUMAN RIGHTS, AND THEY HAVE DECIDED TO DEFEND THE OPPRESSED AND SUPPORT LEBANON AND THE BELOVED QUDS UNTIL QUDS AND PALESTINE ARE RESTORED TO THE MUSLIMS. THE MUSLIMS OF THE WORLD MUST CONSIDER THE DAY OF QUDS AS THE DAY OF NOT ONLY ALL THE MUSLIMS BUT ALSO AS THE DAY OF THE OPPRESSED, AND ON THAT SENSITIVE SPOT THEY MUST RESIST THE OPPRESSORS AND THE WORLD MONGERS, AND FIGHT THEM UNTIL THE OPPRESSED ARE FREED FROM THE TYRANNY OF THE POWER-HOLDERS; AND THE OPPRESSED WHO COMPRISE THE DECISIVE-

MAJORITY IN THE WORLD MUST BE SURE THAT THE REALIZATION OF GOD-ALMIGHTY'S PROMISE IS VERY CLOSE, AND THE UGLY STAR OF OPPRESSORS WILL BE DESTROYED VERY SOON. THE IRANIAN NATION, BROTHERS AND SISTERS ARE AT A WAR THAT THE UNPARALLELED REVOLUTION OF IRAN HAS GREAT VALUE THE MOST IMPORTANT OF WHICH IS ITS ISLAMIC VALUE, IN SEARCH OF WHICH THE MOST EXALTED MESSENGERS OF ALLAH ROSE. I HOPE THAT THIS REVOLUTION TURNS INTO A GODLY FLOOD WHICH CREATES A GREAT-EXPLOSION AMONGST THE OPPRESSED MASSES AND PAVES THE WAY FOR THE BLESSED REVOLUTION OF IMAM MAHDI. MAY OUR SOULS BE SACRIFICED AT HIS ENTRY, AND THE HONORABLE NATION THAT HAS BROUGHT SUCH A GREAT REVOLUTION ABOUT, MUST PERPETUATE IT AND ESTABLISH ITS PRESENCE IN REGISTERING THE JUSTICE OF ALLAH. MY DEAR ONES YOU MUST KNOW THAT THE MORE VALUABLE THE REVOLUTION, THE MORE SACRIFICE MUST BE MADE TO REALIZE IT. A REVOLUTION IN SEARCH OF GODLY GOALS, TO ESTABLISH THE RULE OF ALLAH, IS THE ONE FOR WHICH THE GRAND MESSENGERS MADE A LOT OF SACRIFICE, AND THE GREAT MESSENGER OF ISLAM MADE MANY SACRIFICES IN ORDER TO REALIZE IT, AND THE GREAT IMAMS OF ISLAM SACRIFICED FOR IT WHATEVER THEY HAD, WE TOO WHO CONSIDER OURSELVES THEIR FOLLOWERS AND THE NATION OF MOHAMMAD, MAY ALLAH BLESS HIM AND HIS FAMILY, MUST ENDURE WITH REVOLUTIONARY PERSISTENCE THE DIFFICULTIES FOR THE SAKE OF ALLAH, AND RESIST THE SUBVERSION OF HYPOCRITES WHO ARE DEFEATED AND HELPLESS, AND WE MUST MAKE SACRIFICES IN ORDER TO REALIZE THE RIGHT AND ISLAM LIKE THE GREAT MESSENGERS OF ALLAH. ALLAH THE ALMIGHTY AND THE EXALTED SUPPORTS THE MUJAHEDIN AND HELPS THE OPPRESSED.

PRaise BE UPON THE BELOVED ISLAM, THE RIGHTEOUS MUJAHEDIN, THE MARTYRS FOR ALLAH THROUGHOUT HISTORY, THE MARTYRS OF IRAN, PALESTINE, LEBANON AND AFGHANISTAN, GREETINGS UPON THE FIGHTERS AT THE WAR FRONTS AGAINST THE UNRIGHTEOUS, GREETINGS UPON THE SALVES OF ALLAH.

" RUHOLLAH-AL-MOOSAVI-AL-KHOMEINI "

"AUGUST/1/1981"

IN THE NAME OF ALLAH, THE COMPASSIONATE, THE MERCIFUL.

" ISRAEL MUST BE DESTROYED."

IMAM KHOMEINI

IF MUSLIM NATIONS DO NOT ACHIEVE ISLAMIC UNDERSTANDING, AND DO NOT ARM THEMSELVES WITH ISLAMIC IDEOLOGY, THE WEST WILL DOMINATE THEM FROM MILITARY, ECONOMIC, CULTURAL AND SOCIAL POINT OF VIEW.

IF THE GOVERNMENTS OF THE MUSLIM COUNTRIES DO NOT CHANGE THEMSELVES OR ARE NOT OVERTHROWN BY THE MUSLIM PEOPLES OF THOSE COUNTRIES, OPPRESSIVE DOMINATION OVER THE MUSLIM NATION WILL BE PERPETUATED THROUGH THESE, DEPENDENT GOVERNMENTS, AND THERE IS NOTHING WORSE THAN HAVING INFIDELS RULE AND DOMINATION OVER MUSLIMS.

THESE PROBLEMS PERMIT:

- REACTIONARY SHEIKHS AND RULERS TO SUPPLY AMERICA AND THE WEST WITH OIL AND ALL OTHER GOD-GIVEN REACHES OF MUSLIMS, FREE OF CHARGE.
- EASTERN AND WESTERN ADVISORS TO BECOME THE REAL ADMINISTRATORS OF ISLAMIC COUNTRIES.
- RUSSIAN COSSAKS TO CRUSH AFGHANISTAN AND HER NATION UNDER THEIR FEET.
- THE DESTRUCTION OF MANPOWER AND ECONOMIC RESOURCES OF ISLAMIC STATES BY LOCAL WARS AND PLOTS BY THE WORLD-MONGERS AND THROUGH CRIMINALS SUCH AS SADDAM.

WORSE THAN ALL UNDER THESE CIRCUMSTANCES, IT IS NOT SURPRISING FOR A NUMBER OF RACIST ZIONISTS TO HOLD MORE THAN ONE HUNDRED MILLION ARAB MUSLIMS CAPTIVE, AND TO MAKE MORE THAN TWO MILLION PALESTINIAN MUSLIMS HOMELESS, AND OCCUPY THE LAND OF BEIT-AL-MOGHADDAS AND MASJID-AL-AQSA, THE FIRST KEBLAH OF MUSLIMS, AND THE BELOVED PALESTINE.

A LOOK AT THE ZIONIST AND PALESTINIAN PROBLEM DURING THE RECENT CENTURY INDICATES THAT WHENEVER MUSLIMS WERE INACTIVE AND THEIR LEADERS DEVOTED THEMSELVES TO THE SLAVERY AND THE WRETCHEDNESS OF THE WEST, THEY HAVE ALWAYS UNDERGONE THE DEFEAT OF THE ENEMIES OF ISLAM AND THE MUSLIMS. WHENEVER THESE SAME NATIONS BEGAN TO RELY ON THEMSELVES, THEY BECAME CAPABLE OF RECOGNIZING THEIR ENEMIES AND NATURALLY CAPABLE OF COUNTERING THEM. THE EXPULSION OF ZIONIST BY THE OTTOMAN CALIPH FROM HIS COURT AND THE REJECTION OF THEIR GIFTS AND FINANCIAL ASSISTANCE WERE THE RESULT OF THE SAME SELF-RELIANCE AND THE LEAST OF SELF-CONSCIOUSNESS. ALTHOUGH SOME ARAB AND NON-ARAB CHIEFS OF STATES BLAME OTTOMAN CALIPHS FOR THEIR DEEDS (A MOST OF THEIR ACTIONS MUST BE DENOUNCED), THEY MUST KNOW THAT THEY ARE MORE TO BLAME BECAUSE OTTOMAN CALIPHS DID NOT ACCEPT THE COMPROMISE WITH ZIONISTS, AND THEY HAD THE COURAGE TO EXPEL THEM IN ABJECTNESS.

SHAME AND DISGRACE UPON THE PRESENT ARAB LEADERS THAT HURRIEDLY CALL FOR THE RECOGNITION OF THE ENEMY OF ISLAM AND THE MUSLIMS, AND TRY TO GUARANTEE ZIONIST REGIMES, SECURITY IN ORDER TO PAVE THE WAY FOR NEGOTIATION WITH ZIONISTS AND LEGITIMIZE JEWISH AGGRESSIONS AND CRIMES.

THE PRESENT ARAB RULERS MUST KNOW THAT BEFORE WWI ZIONISTS TRIED TO PENETRATE INTO THE BELOVED PALESTINE FOR THIRTY YEARS, BUT FAILED. BUT THE OTTOMAN AUTOCRACY GAVE WAY TO WEST-ORIENTED PERSONS SUCH AS ATATORK, WHEN PEOPLE LIKE HUSSEIN SHARIF (JORDANIAN HUSSEIN'S ANCESTOR) REVIVED ARAB NATIONALISM, ARAB COUNTRIES WERE TORN INTO HUNDREDS OF PIECES, AND YOU KNOW WHAT HAPPENED TO THEM THEREAFTER.

AFTER THE WORLD WAR I, IT TOOK ONLY THIRTY YEARS FOR THE ZIONIST STATE TO ANNOUNCE HER EXISTENCE, AND A MILLION PALESTINIANS TO BECOME HOMELESS, THEIR TERRITORIES TO BECOME CONFISCATED.

DURING THIS PERIOD ISLAMIC AND ARABIC COUNTRIES WERE DIVIDED INTO HUNDREDS OF DIFFERENT PARTS, AND THE FOUNDER OF THE GRAND ARABIC REVOLUTION, AMELY HUSSEIN SHARIF DESTROYED OTTOMAN COLONIZATION WITH THE HELP OF ENGLISH COLONIZERS, AND IN DUE TIME HE TOO ESCAPED TO CYPRUS IN AN ENGLISH

SHIP, AND HIS SONS RULED IN IRAQ, JORDAN, AND OTHER ARAB STATES AS THE FULL SUBSERVIENTS OF ENGLAND. IN 1948, THEY SUBMITTED HALF OF BELOVED PALESTINE AND QUDS TO ZIONISTS, AND MET THEIR REPRESENTATIVE, I.E. GOLDA MEIER IN BEIT-AL-MOGHADDAS. BUT NATIONALISM AND DEPENDENCE SCENARIO DID NOT CONCLUDE HERE, AND IN 1967 THEY SURRENDERED THE WHOLE SACRED TERRITORY OF SINAI AND GOLAN TO THE ZIONISTS, AND TURNED MORE PALESTINIANS HOMELESS, AND IN 1970 THEY MASSACRED HOMELESS PALESTINIANS THROUGH AMIR ABDOLLAH'S GRANDSON AND HUSSEIN SHARIF'S GREAT GRANDSON. HOW NAIVE WERE THOSE WHO HAD THOUGHT THAT ZIONISTS ARE ONLY SATISFIED WITH SO MUCH. WE WITNESSED THAT THEY DID NOT LEAVE ALONE EVEN LEBANON AND IN 1982 THEY COMMITTED CRIMES WITH WHAT POWER THEY HAD, AND ONCE AGAIN ARAB RULERS AND THE JORDANIAN KING HUSSEIN ARE TRYING TO LEGITIMIZE ZIONISTS' ACTIVITIES IN ORDER TO SHOW THEIR GOOD SERVICE TO THEIR MASTER I.E. AMERICA, HOW NAIVE ARE THOSE THAT AWAIT PEACE AND EXPECT PEACE FROM ISRAEL.

ZIONISTS HAVE FORMERLY DECLARED THEIR OBJECTIVE AND THAT IS "THE EXTENSION OF ISRAEL FROM NILE TO EUPHRATES", AND THE ONLY MEANS OF COUNTERING THIS POLICY AND OBJECTIVE IS THE WORD OF OUR BELOVED IMAM, "ISRAEL MUST BE DESTROYED", AND THAT ISRAEL IS THE ROOT OF CORRUPTION AND NO MORE.

#### INTRODUCTION:

IN THE NAME OF THE MOST EXALTED.

THE CURRENT BOOK WHICH CONTAINS DOCUMENTS FOUND AT THE AMERICAN ESPIONAGE DEN, DEMONSTRATES ONLY AN ANGLE OF ZIONIST AND AMERICAN ACTIVITIES IN IRAN. BY READING THIS BOOK ONE CAN FIND OUT THE IMPORTANCE, PRE REVOLUTIONARY IRAN HAD FOR THE ZIONIST REGIME, AND THAT OF U.S. AND WITH REGARD TO ISLAMIC REPUBLIC OF IRAN'S POSITION ONE CAN DISCOVER THE IMPORTANCE OF A CHANGE IN BALANCE OF POWER TO THE BENEFIT OF REVOLUTIONARY FORCES EMANATING FROM THIS REVOLUTION.

IT IS SUFFICIENT TO PRESUME THAT THE SHAH WAS PRESENTLY IN POWER, TO UNDERSTAND THE DEPTH OF CATASTROPHE WHICH WOULD HAVE INFLICTED THE REGION AND IT'S OPPRESSED PEOPLE, IF THE ISLAMIC REVOLUTION HAD NOT TAKEN PLACE. AND ON THE SAME BASIS, ONE CAN DISCOVER CRIMES AND TREACHERIES COMMITTED BY BATHIST SADDAM AND HIS SUPPORTERS SUCH AS THE SAUDI AND KUWAITI RULERS, AGAINST THE CAUSE OF PALESTINE, BY ATTACKING THE ISLAMIC REPUBLIC OF IRAN.

A LOOK AT THE PRESENT DOCUMENTS REVEALS THE IMPORTANCE OF THE SHAH'S REGIME IN STRENGTHENING THE ZIONIST REGIME AND IT'S POLICIES IN RELATION WITH IRAN.

ONE OF THE PROBLEMS ALL COUNTRIES ESPECIALLY THE INDUSTRIALISED ARE FACING IS THE ENERGY PROBLEM AND THE MEANS OF ACCESS TO IT. THERE ARE MANY COUNTRIES WHO BECAUSE OF INSUFFICIENT ENERGY RESOURCES, EITHER DO NOT HAVE A FLOURISHING ECONOMY OR HAVE A VULNERABLE ONE. THUS IN RECENT YEARS OIL HAS BECOME ONE OF THE MOST IMPORTANT ECONOMIC AND POLITICAL PROBLEMS, BECAUSE IT IS CURRENTLY THE MOST IMPORTANT SOURCE OF ENERGY IN THE WORLD, SINCE MOST OF THE EXPORTABLE OIL OF THE WORLD IS PRODUCED IN THE MIDDLE EAST, ESPECIALLY ARAB COUNTRIES AND IRAN, AND SINCE ARAB COUNTRIES HAVE BOYCOTTED ISRAEL ON THE SALE OF OIL, IT HAS GAINED A SPECIFIC IMPORTANCE FOR ISRAEL. ISRAEL NOT ONLY LACKS OIL RESOURCES, BUT ALSO DUE TO HER INEXTENSIVELY, LACKS ENERGY PRODUCING RESOURCES SUCH AS RIVER-DAMS AND COAL.

THE BASIC ISSUE WHICH HAD ENGAGED THE ZIONIST REGIME AND THE U.S. IN RECENT YEARS, WAS THE PEACE BETWEEN ISRAEL AND EGYPT WHICH WAS ALSO CALLED CAMPE DAVID AGREEMENT. WITH REGARD TO THIS, AMERICA RELATES A PART OF HER PREVENTIVE ACTIONS AGAINST THE SO-CALLED TERRORIST ACTIVITIES THAT ENDANGER HER INTERESTS, TO HER OWN EMBASSIES, EVALUATING THE BOYCOTT OF EGYPT, AND THE NECESSITY OF HELPING THIS REGIME. IT IS CLEAR THAT U.S. AIDS TO BOTH THE EGYPTIAN AND THE ISRAELI REGIMES COMPRISES THE MAIN FOUNDATIONS OF CAMP DAVID TREATY IN ESTABLISHING THIS TREACHEROUS PEACE. ACCORDING TO THE 1983 FIGURES U.S. AIDS TO BOTH REGIMES EQUALLED 50 PERCENT OF HER TOTAL FOREIGN AIDS. ALTHOUGH THIS TRILATERAL AGREEMENT WAS CONCLUDED, THE U.S. WAS SECRETLY UNCOMFORTABLE WITH THE PURCHASE OF ARAB LANDS ON THE WEST BANK AND THE GAZA STRIP BY ISRAEL SINCE IT THREATENED THE IMPLEMENTATION OF CAMP DAVID TREATY. BUT, MORE THAN WHAT AMERICANS IMAGINE, SADAT HAD INVOLVED HIMSELF WITH THE SLIME OF THIS PEACE, AND IN SPITE OF THE AGGRESSIVE ACTS OF ISRAEL COULD NOT STOP INITIATING THIS, SO CALLED PEACE:

ALTHOUGH AMERICAN AUTHORITIES ARE NOT WILLING TO ADMIT ZIONIST CRIMES PUBLICLY, BUT WITHIN THE CONTEXT OF DOCUMENT NUMBER 35 THEY HAVE CLEARLY EXPRESSED THAT ISRAEL HAS IGNORED THE CEASEFIRE IN SOUTHERN LEBANON UNILATERALLY AND BY COMMITTING AIR-STRIKES AGAINST THE CAMP OF AL-BAR ON NORTHERN TRIPOLI, HAS TURNED A BRIDAL OCCASION INTO A MOURNING CEREMONY BY MURDERING 6 PEOPLE THERE. DOCUMENTS NUMBERED 46 AND 48 REVEAL THE CRIMES COMMITTED BY A ZIONIST OFFICER IN SOUTHERN LEBANON, AND SHOW HOW FOUR PALESTINIAN-LEBANESE PEASANTS WERE INNOCENTLY MURDERED WITHOUT BEING A THREAT TO THE ISRAELI OFFICER, AND HOW THE 12 YEAR COURT SENTENCE WAS DECREASED TO THREE YEARS, AND MEANWHILE AMERICAN AUTHORITIES TRIED TO NECESSITATE IT CUNINGLY IN THEIR OWN WAYS. IN DOCUMENT 49 THESE CRIMES ARE REVEALED IN SUCH A WAY THAT THE ZIONIST REGIME'S MINISTRY OF JUSTICE ADMITS THAT THE PRISONERS HAD BEEN TORTURED, AND OF COURSE IT HAS PROCLAIMED THAT IS HAS INFORMED AHIN BETH THAT IT WILL NOT TOLERATE SUCH MEANS AND WAY OF INTERROGATION.

DOCUMENTS 34, 39, 41, 42 PROVE THE FACT THAT ISRAEL CAN NOT EXIST WITHOUT AMERICAN AND HER WESTERN ALLIES SUPPORT, AND IT IS FOR THE SAME REASON THAT CONTINUE TO SUPPORT INTERESTS OF THE AMERICAN IMPERIALISM IN THE REGION. THESE SUPPORTS BECOME SO SURPRISING THAT THE ZIONIST NEWSPAPER HA'ARETZ WRITES THAT THE AMERICAN TAXPAYERS WANT TO KNOW HOW FAR THEY ARE TO SUPPORT THE UNNATURAL AND HIGH LEVEL OF LIFE IN ISRAEL.

BY LOOKING AT OTHER DOCUMENTS WE NOTE THE BAD ECONOMIC SITUATION OF THE ZIONIST REGIME. ACCORDING TO OTHER DOCUMENTS AVAILABLE AT THE ESPIONAGE DEN, U.S. AND HER WESTERN ALLIES, DURING 1970-1976 HAVE, ACCORDINGLY, GIVEN ISRAEL 8482'7 MILLION U.S. DOLLARS AND 562'9 MILLION DOLLARS IN ECONOMIC ASSISTANCE. IN 1983 THE RATE OF ASSISTANCE TO ISRAEL ALONE BY U.S. AMOUNTED TO MORE THAN 2485 MILLION DOLLARS.

MAY ALL MUSLIMS UNITE ONE DAY, AND ELIMINATE THIS ROOT OF CORRUPTION AND HER SUPPORTERS OFF THE EARTH.



DR. S. D. WILK  
Israeli

SECRET  
1/24/57

Israel's unofficial representative in Tehran. Has been very active in placing pro-Israel material in the local press. His contacts are through Abas SHAMSHUR, Editor of KARMAN, and Engineer Abdulrah VALA, Editor-in-Chief of TAHRAN MANAAJIR. He is rumored to have paid out 100,000 rials to newsmen during the first week of November.

Source: CAS Disseminations  
November 19, 1956

FORM FS-438  
(REV.) 1-7-52

EOGLark

CONFIDENTIAL

MEMORANDUM

To : The Ambassador April 28, 1965

Through: DCM

From : Martin Herz

Subject: Contact with the Israeli Representative in Iran

Dr. Zvi Doriel, the Israeli Representative here, leads an ambiguous existence. He circulates widely in the Diplomatic Corps, but he is not of it. An attempt about a year ago to represent himself as "Ambassador" was decisively rebuffed by the Iranian Government. (He was forced to withdraw a circular letter in which he signed himself as Ambassador of Israel.) Yet he has widespread and no doubt productive contacts with Iranian officials.

DORIEL, I.

Doriel has been in Iran for eight years and carries on a number of activities. You are familiar with the Israeli intelligence cooperation with the Iranian Government. There are others. Some reports on his activities are enclosed. The point right now is that Doriel would like to invite you to his National Day party on Sunday, May 2 (invitation enclosed). Because he does not know you, he sent the invitation through me.

Although I believe you should not shun contact with Doriel, I see no need for you to make an early public appearance at his enormous function on Sunday. One difficulty we have in dealing with him is that it is quite clear that among his manifold activities, which include the blowing-up of alarmist reports about Kasser, is his encouragement of the line that "Kasser is being propped up by American aid."

Doriel said to me yesterday that he will make an appointment to call on me on Saturday. I suggest that you profit from that occasion to come into my office (so he will not have called on you) to shake hands with him, that you express the desire to have contact with him from time to time, but that you express regrets that due to a previous commitment

CONFIDENTIAL

CONFIDENTIAL

-2-

you cannot go to his party. There is no harm, on the other hand, as far as I can see, to inviting Dr. and Mrs. Dariel to some larger functions at the Embassy at a later time. You will no doubt see him also at many other parties.

POL:PHerz/mja

CONFIDENTIAL

CONFIDENTIAL  
MEMORANDUM OF CONVERSATION

**PARTICIPANTS:** David Teurgeman, First Secretary, Israeli Embassy  
E. Thomas Greene, Second Secretary of Embassy

**PLACE :** Farid's Restaurant

**DATE :** Wednesday, December 22, 1965

---

In a tour d'horizon the following noteworthy points were made:

1. Saudi-Arabia and Iran

Mr. Teurgeman questioned me in particular on the contents of the joint statement issued at the end of King Saud's visit to Iran. I told him what I'd read in the English-language press. He expressed surprise that even a preliminary agreement had been reached on the median line between the two countries and said he didn't think it would last.

2. Yemen. Harad Conference

Mr. Teurgeman said derisively the conference had debated small points for weeks. He thinks that it will almost certainly break down, particularly with a long Ramadhan recess coming up. He sees little likelihood of political settlement and unity in the Arabian Peninsula.

3. Israeli Relations with Iran

The agricultural assistance program in the Qazvin area has been very successful, and "we hope more like it can be set up". Relations between the two countries are very cordial, but are still somewhat low key; there is no Israeli Embassy as such here. The Israeli Representation does not get involved with proposed emigration of Iranian Jews to Israel; this is handled by Zionist committees here.

COMMENT: Mr. Teurgeman did not talk about the Jewish Community here as much as I would have wished; he parried questions about it and was intent on focusing on international affairs. His comments on items 1, 2 and 3 above are nothing unexpected.

POL:ETGreene/mjs

Distribution:

SAH/Reading  
BIO  
ETG chron.  
CRU

CONFIDENTIAL  
GROUP 4

CONFIDENTIALMEMORANDUM

To : FILE

From : POL: T'reene

Subject: Evening at David TOUGHEMAL's residence

February 14, 1966

Mr. Tougenman called me up on the morning of February 14 and apologized for the late notice but invited me and my wife to come over to his apartment that evening about 9:00 p.m. for drinks and to meet some friends of his.

Those present included: Bilgin ERAN (First Secretary of the Turkish Embassy) and his wife, Mrs. Loren Uzun, who is Second Secretary at the Turkish Embassy (MSE), and Mr. Karam . ALTMAN (Third Secretary of the Turkish Embassy) of MSE. Also present was Colonel PEREM, the deputy Military attache of the Israeli office and a Mr. and Mrs. Shavit HEAVIN of Israel.

Mr. and Mrs. Shavit, on a "study trip" through the Middle East and Far East, said they have only spent a month here and intend to spend another month before proceeding to India, Thailand and possibly Viet-Nam. They said they intended to visit Afghanistan and Pakistan as well, whereupon Colonel Efron said they would not be able to go to these countries on Israeli passports. I would guess that the Shavits are about 25-30 years old. He has been working for five years in the Department of Arab Affairs (which deals with the Arab minority within Israel) in Jerusalem, and has been studying at Hebrew University as well. Both he and his wife speak fluent English. In addition he speaks Arabic and Persian; and said he studied Amharic for four to five months. He also knows at least a handful of words in Turkish.

The conversation ranged to various topics of no political significance and my wife and I left about 12:30.

Comment:

It would be interesting to know more about Mr. Shavit's visit to Iran, the places he has been and the contacts he has made.

POL:T'reene/jas/EJH 2/24/66

Distribution:

MEM/OL Reading  
 WAB/OL Subject  
 CER:OS  
 OK  
 CRU  
 BIO (Israeli)

CONFIDENTIAL

GROUP 4

"Downgrade" at 3-year intervals,  
 declassified after 12 years.

11-7 1/2 381744  
11-22 1/31/67

CONFIDENTIAL

Am. Embassy, Tel Aviv  
January 23, 1967

RECAPITULATION OF CONVERSATION

SUBJECT: Present status of Mordechai Ga'it

INTERVIEWEE: Mr. Mordechai Ga'it, Assistant Director General,  
Ministry for Foreign Affairs  
Room 11, Stackhouse, Embassy, Tel Aviv

*= wants to Book  
Amb.*

At lunch January 17, Mordechai Ga'it was relaxed. I asked him if he was busy. He said no, not especially. He was heading up two or three task forces in the Ministry and in fact one of the task forces had completed its work that very morning. In spite of my probes, Ga'it would not tell me precisely what it was his task forces were concerned with. He said that he had about one meeting a week in connection with his task force work and that of course some time was taken up in preparation for the meetings and catching up afterward.

He was doing a lot of public speaking, these days, he continued, and had within the next few weeks about fifteen lectures, before Knesset audiences, the Israeli National War College and so on. He said one upcoming lecture was on the U.S. and the Middle East. His principal text was the U. Alexis Johnson speech of January, 1964. In his lecture he would also make reference to some of Mr. Dulles' speeches in the mid-1950s to show how far the U.S. had come by 1964.

Though Ga'it was not very informative about exactly what he was doing, if care out in the course of the conversation that he was still very interested in, and very well informed on, matters having to do with Iran, South Arabia and the Horn of Africa.

He seemed especially weary and disinterested in discussing Arab/Israel issues.

GROUP 4

Downgraded at 3-year intervals.  
Declassified 12 years after date of origin.

CONFIDENTIAL

CONFIDENTIAL

- 2 -

I recalled a conversation we had had in Washington over two years before when he, in discussing means by which Israel might gain greater acceptance in the Middle East, had suggested ways should be found to increase routine traffic through Mandelbaum Gate. He had suggested that the USG should seek every opportunity to increase Gate transit by USG employees for both official and non-official purposes. I said he would be interested in knowing that recently there had been increased restrictions on travel by our Consulate General personnel through the Gate imposed, not by Jordan, but by Israel.

Gazit's response was indirect. He stated as a general proposition that governments ought to make up their minds what it is exactly that they want and then proceed by well conceived programs to achieve their objectives. He left no doubt that the GOI was not following this prescription in handling Arab/Israel issues. Take for example, he said, the question of crossings by diplomats and tourists at Rosh Hanikra. He felt that it was a desirable objective for the GOI to do everything possible to open up Rosh Hanikra as Mandelbaum Gate had been opened. Yet it could not seem to decide that this was a desirable objective, much less go about achieving it in an effective way. He was convinced, he said, lapsing into a philosophical mood, that the bane of modern existence was bureaucracy. Mr. Eban might agree very well with him in principle, but putting new ideas into practice through the bureaucracy was impossible.

Gazit said his Rockefeller Grant to do a book on "Israel and the Great Powers" was still pending. The amount of the grant, \$14,000, was simply not enough to finance the two years' work necessary to do the job. He gave no indication that getting two years off from the GOI would present any problems.

Some additional miscellaneous items from the conversation:

- (a) Israel has more technicians in Iran (40) than in any other country.
- (b) The attitude of the Turks was disappointing. Gazit had noted a statement by the Foreign Minister before the Turkish Parliament that, in the event of another Middle East dust-up on the order of 1958, the Turks would not permit the U.S. base at Adana to serve U.S. military interests in the area. Furthermore, the Turks had consulted the Israelis

CONFIDENTIAL

CONFIDENTIAL

- 3 -

only as their Foreign Minister was about to begin his visit to Egypt, thus making it in possible for Israelis to give their advice to the Turks in good time.

(c) Gazit said with a mischievous smile he thought it was about time the Israelis taught the Syrians a lesson; they really ought to give the Syrians a good bash. I said to Gazit that he knew well how we felt about these things as a matter of principle. There was besides the possibility that the irrational Syrian regime might react by setting off major hostilities. Previous Israeli bashes had not taught the Syrians a lesson; why should another one? Furthermore, at present there was some hope the upcoming extraordinary session of the ISMAC would help reduce tension. It seemed to me it was a particularly poor time to be doing what Gazit suggested and I was more than a little surprised that Gazit of all people was thinking in these terms. Gazit insisted that strong military action was the only way to straighten out the Syrians.

NOT CLEAR  
TO ME

← As we parted he smilingly reminded me to report his views as MFA views. I told him to keep cool; one heard enough talk about bashes in IDF circles.

Comment: Gazit is the only senior MFA official we have heard talk quite this hawkishly in the current tension. That he would do so is probably another sign - if one were needed - of his conscious non-identification with the MFA establishment. Our conversation covered refugees and the Horn of Africa, being recorded elsewhere. The conversation confirmed what we have heard from other sources that Gazit really is at loose ends in the Ministry and there is a continuing decline in his influence. Discreet inquiries have failed to give us any idea what happens next.

FOL:HHStackhouse/lf

cc: Mr. Davies, NLA; NEA/IAI; Embassies Teheran (Mr. Thatcher), London (Mr. Palmer), Damascus (Mr. Chase), Ankara; Ambassador Jerusalem.

CONFIDENTIAL



I Slack

United States of America

INCOMING AMERICAN EMBASSY TEHRAN

SECRET

Classification

Control: 7166

LOCATION:

DATE:

Recd: May 25, 1967

P R 241300Z MAY 67  
 FM AMEMBASSY LONDON  
 TO RUEHC/SECSTATE WASHDC 6656 PRIORITY  
 INFO RUEIVCR/AMEMBASSY CAIRO 271  
 RUQNBZ/AMEMBASSY BEIRUT 122  
 RUQJAN/AMEMBASSY TEHRAN 145  
 RUQWVL/AMEMBASSY TEL AVIV 141  
 RUEHCR/AMEMBASSY MOSCOW 257  
 RUEHDT/USMISSION UN NY 432  
 RUEDPSA/CINCPACFLT/COMNAVSTA  
 ZEN/AMEMBASSY AMMAN UNN  
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 ZEN/AMCONSUL JERUSALEM UNN  
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0615

SECRET LONDON 9326

LINDIS

TANKERS ENGAGED IN IRAN TO EILAT RUN

1. FOL DATA, OBTAINED FROM IRAKIAN OIL CO. AFTER BREWER-PALMER TELCON, SUPPLEMENTS INFO PASSED TO AKINS MAY 25.
2. LISTED OWNERSHIP OF FOUR TANKERS (ALL LIBERIAN FLAG) WHICH REGULARLY CARRY OIL FROM IRAN TO EILAT:
  - A. NORA - MARIZ TANKER CORP. (MANAGER - E. HAYWARD), MONROVIA.
  - B. LEON - TRANS-WORLD TANKER CORP., MONROVIA.
  - C. SAMSON - SUPERTANKER CORP., MONROVIA.
  - D. CIRIS - (FORMERLY HE AURORA), ASTRO-ARMADA NAV. S. A., PANAMA.
3. A FIFTH SHIP, THE PATRIA, LISTED AS OWNED BY ZAS TANKER CO., LTD. MONROVIA, HAS BEEN USED IN THIS PROGRAM BUT IS NOT NOW SO ENGAGED.
4. THE OIL COMES FROM STOCKS OWNED BY TWO MEMBERS OF IRICON GROUP: SIGNAL-IRAN OF LOS ANGELES AND SONIC OF CLEVELAND.

GP-3. BRUCE

WAFB

SECRET

*Small RLD East*

**S E C R E T** NO FOREIGN DISSEM  
CLASSIFICATION

### Intelligence Information Cable

COUNTRY: IRAN ISRAEL  
DATE OF INFO: 27 MAY 1967

FIELD REPORT NO. NIT-7411

DISR. 29 MAY 1967

SUBJECT

OIL TANKERS TRAVELLING BETWEEN IRANIAN PORTS AND THE GULF OF AQABA

SOURCE & DATE ACQ: IRAN, TEHRAN (27 MAY 1967)

REF TDCS-314/07341-67

SOURCE AND APPRAISAL: PARAGRAPH 2: AN OFFICIAL BRITISH SERVICE.

PARAGRAPH 3: AN IRANIAN BUSINESSMAN WHO IS WELL-INFORMED ON ECONOMIC RELATIONS BETWEEN IRAN AND THE SOVIET BLOC AS WELL AS OTHER COUNTRIES IN THE MIDDLE EAST. HE IS A NEW SOURCE AND HIS RELIABILITY CANNOT YET BE JUDGED.

1. (FIELD COMMENT: TDCS-314/07341-67 REPORTED THAT THE TANKERS SIRIS (FORMERLY THE AURORA), NORA, LEON AND SAMSUN-- ALL FLYING THE LIBERIAN FLAG--REGULARLY CARRY OIL TO EILAT.)

2. THE TANKERS NORA AND LEON DEPARTED KHARG ISLAND FOR THE GULF OF AQABA ON 20 AND 24 MAY 1967 RESPECTIVELY. THE TANKER SIRIS IS DUE AT KHARG ISLAND ON 28 MAY TO LOAD OIL. IT IS NOT KNOWN WHERE THE SAMSUN AND THE PATRIA, ANOTHER

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

**S E C R E T**

**NO FOREIGN DISSEM**

CLASSIFICATION

DISSEM CONTROLS

GROUP 1  
Excluded from automatic  
downgrading and  
declassification

TANKER WHICH CARRIES OIL TO ISRAEL AND WHICH ALSO FLIES THE LIBERIAN FLAG, ARE AT THE PRESENT TIME.

3. THE SIRIS AND THE PATRIA TRAVEL REGULARLY BETWEEN KHARG ISLAND AND EILAT WITH OIL FOR ISRAEL, A ROUND TRIP OF ABOUT 20 DAYS. OTHER SHIPS ARE ALSO KNOWN TO CARRY OIL FROM IRANIAN PORTS TO ISRAEL, BUT A NUMBER OF THEM ARE FALSELY MANIFESTED ON LEAVING PORT SO THAT EILAT IS NOT LISTED AS THEIR DESTINATION.

4. FIELD DISSEMINATION: STATE ARMY NAVY AIR CINCSNAVEUR CINCSOUTH (PERSONAL) CINCPACFLT. ALSO SENT LONDON, AMMAN, BAGHDAD, BEIRUT, CAIRO, DAMASCUS, JUDDA, KUWAIT, ANKARA, ISTANBUL.

REPORT CLASS SECRET NO FOREIGN DISSEM

~~SECRET~~  
Pipeline's <sup>game</sup> Israeli

SECRET/NOFORN

Department of State

INFO : LONDON (3), TEL AVIV

Ambassy TEHRAN

DATE: May 27, 1968

Israeli Pipeline

CERP-D; Tel Aviv's A-777; INR Report April 1968, Subject;  
"The New Israeli Pipeline: Fact not Fiction" (SECRET/NOFORN)

SUMMARY

Israeli officials believe an Eilat/Mediterranean oil pipeline will prove less onerous to construct and maintain than equivalent tanker capacity. Flexibility of the line is believed to be greater than by large tankers in supplying Eastern Mediterranean ports. The pipeline will be finished within one year and ample crude will be available.

\* \* \* \*

The following observations regarding the Israeli pipeline were gleaned from long conversation with Israeli officials on May 14:

1. Economic Justification

A. Cheaper than Around Africa. While oil companies claim the pipeline is not economic, they know better. As Israelis see it, 29 ships of 200,000 ton capacity can move 50 million tons of oil through the pipeline in the course of a year. To move the same amount in the same time span with the same size ships around Africa, would require 50 ships. Each ship costs \$20 million, and since this would mean 21 more ships the extra cost is over \$400 million, which is two or three times the cost of the pipeline.

SECRET/NOFORN

ECON:RFB: [initials] pm 5/23/68

ECON:RFB:Harlan

ECON:RLDowell

AMJ:AHMeyer(draft)

DCM:NOThacher(draft)

B. Lower Maintenance Costs. The Israelis claimed that maintenance costs are much higher for ships than for pipeline, with ratio of maintenance to capital costs being 2:1 for ships versus 1:2 for the pipeline.

C. Superior Port Handling Facilities. The Port of Eilat is so deep it can handle ships of any size. At the other end, the port will be able to shuttle smaller ships to European ports in the Eastern Mediterranean which in any case can handle only smaller ships and would be unable to receive supertankers coming from around Africa; i.e., double handling would be necessary in any case.

Thus, the Israelis are convinced that a pipeline is fully justified economically, even if Suez were to be reopened.

2. Financing.

In response to a query about the reason for Baron Rothschild's withdrawal, the Israelis said he was never in.

3. Availability

They said this would be a transit facility open to any one. They noted that all the oil for the present 16" pipeline currently comes from Iran, but no commitment has been given that would make capacity available to Iran in the existing 16" line.

4. Construction

They expect to be finished within one year. Much of the pipe will be made in Israel by a pipe mill, built there by Torrance of California. They have <sup>not been</sup> using the modern high-frequency welding process being used in the Almax Pipe Mill and are using a more conservative, old-fashioned process. They said they are completely convinced that Torrance mill is satisfactory although such projects inevitably have a shake-down period. They mentioned that the quality of steel sometimes presents problems.

5. Supply of Crude

They added that they are not worrying in the slightest about availability of sources of crude for deliveries through the pipeline; the only problem was finding customers at the other end of the line.

THACHER

*revised*

A-1184

SECRET

Department of State

INFO: BEIRUT, TEHRAN, USINT CAIRO

~~299~~ ~~RSD~~  
A  
Israeli Pipeline

AmEmbassy Tel Aviv

September 7, 1968

Eilat - Ashkelon Pipeline

EMBASSY OF THE  
UNITED STATES OF AMERICA

Tel Aviv A-777

Tehran A-619

Tehran A-620

16 SEP 1968

BOOK 2  
AMB  
DCI  
POL  
ATTN  
USIS  
COIL  
C'IRON  
FOUCH 3

Although Israeli officials continue to speak mostly in generalities about the pipeline project, a few items from recent discussion with Mr. Dov BEN DROR, Chairman of the pipeline companies and Dr. Moshe NEEMAN, the Director of Fuel Administration, provide a little better insight into the project.

Dr. Neeman said he had been instructed to say nothing to anyone about the pipeline. He added that this was a silly instruction since just about all he knew about the project was contained in Platt's daily (not available in Tel Aviv) during the first week in June, and Platt's information was pretty reliable.

Preparation of the site for the pipeline is well underway, and the actual laying of the pipe is now expected to begin in October. Estimates of completion are now given as "September 1969", or more broadly "Autumn 1969".

Both sources declined to specify what transit fees will be charged. Ben Dror said he knows what it will cost to transport the oil, but will never reveal that figure, and he knows approximately what he will charge, but is holding this figure closely because it is still subject to negotiation.

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Return to ECON (RLD)

GP - 3  
SECRET

RSD  
1

- ECON/AID:RAK:aten:jb:9-6-68
- COMMATT:CE: [unclear], Jr.
- ECON:ASKo:chang: [unclear]

ECON:RCBreithut

The Ashkelon terminal of the 42 inch pipeline will be able to serve all types of tankers, not just small ones for Eastern European ports which are unable to accept supertankers. According to Ben Dror, although there are no Israel flag tankers, Israel either owns or is able to obtain the services of enough ships to run 20 million tons of oil through the pipe a year. In a previous conversation, Ben Dror had complained that an American steamship company had cancelled a contract it had had with Israel because of Arab pressure on one of the major oil companies. This week Ben Dror said that this problem has been solved, but the GOI is still considering whether or not to take legal action against the shipper. The problem was solved, he said, by the Government of Israel, which made certain "hints" to the oil companies that Israel would prefer not to be treated in this way. Ben Dror said he did not expect the oil companies to publicly make common cause with Israel, but he thought they should at least avoid kicking Israel unnecessarily.

ZURHELLEN

(A B)

SECRET

~~SECRET~~

5/1/69

~~PHH~~

~~NGT~~

The Ambassador

RLD.

~~M~~

Attached is a recent letter from Rod Wright in Beirut. I think that you may find of interest two (marked in red) paragraphs/in his letter: the first deals with an opinion that the Israelis will be able to easily find 400-500,000 bpd for the new crude line- - - from the independents in the Gulf and NIOC (to me this seems quite high) and the second Stauffer's comments crude production peaking in Iran and his belief that the Shah will not be impressed by such figures.

CO

RLD

~~SECRET~~



SECRET

*Israeli Pipeline*

Beirut, Lebanon

April 25, 1969

OFFICIAL-INFORMAL

Warren Clark, Jr., Esquire  
Fuels and Energy  
Bureau of Economic Affairs (E/ORF/FSE)  
Department of State  
Washington, D. C.

Dear Warren:

Please accept my warmest thanks for sending out the material for presentation to Professor Mikdashi. I handed them over at the April 23 session when Wally McDonald held forth. The material will be useful not only to Mikdashi and the AUB students, but also to consultants and others here in Beirut to whom I have supplied an annotated bibliography of the publications given to Mikdashi.

Several of us are looking forward to the complete Anti-trust and Monopoly Subcommittee report; I hope you'll have a chance to send out around five copies just as soon as it is printed. I suspect that other colleagues in Tehran, Kuwait, Dhahran, Tripoli, etc., would also appreciate receiving copies.

As requested in your April 8 letter we are on the alert to any information concerning the Israeli pipeline. As I believe I mentioned before, Jack Hartshorn stated when he was here for the AUB seminar that the Israelis will have no trouble whatsoever filling the line to 400-500,000 B/D, citing only the independents in the Gulf and NIOC. As for the latter, your excellent and very useful memcon of April 4 (SECRET) certainly contained a bombshell -- Henry Moses' comment on page 7. As I eagerly studied your report, it occurred to me to suggest that you might want to pass a copy to London.

SECRET

**SECRET**

2

Further notes on the memcon:

-- page 5 - Dhahran's A-57, 4/2/69, Encl. 2, p.1, puts Aramco's reserves at 84.4 billion, very close to Hedlund's figure, but above The Oil and Gas Journal's 77 billion.

-- all of the presentation by the industry representatives, I wasn't sure whether in their discussion of Iranian reserves they were counting only Consortium reserves or the whole Iranian picture. It would seem the former. However, this would distort the picture from the point of view of the Iranians since non-Consortium operators, including the new Arepi group and Continental, could well increase the Iranian reserves figure therefore leading to a later, and perhaps much later, downturn or peaking in production. On the other side of this reserves/production coin, Wally McDonald noted here that the share of crude in the European energy picture could well peak in the mid-70's. Could this be a reason behind the Iranian desire to push so hard now? Tom Stauffer, during his seminar appearance here a week ago, emphasized the Iranian desire to push as fast as possible now in order "not to go broke" (I'll leave it to Bob Dowell to treat that one). What Tom implied, however, is that the Shah will not be dissuaded by "peaking" statistics presented by the Consortium.

I see the SAG is keeping a watchful eye open -- Dhahran's 359 and A-60 have just arrived.

This letter started with publications, so it may as well end on the same note. The April issue of the News Letter, publications page, carries a reference to Edward H. Shaffer's The Oil Import Program of the United States: an Evaluation, New York: Praeger, 1968; 257 pp, \$17.00. Before I send off an order, can you tell me whether it is worth it or not (...perhaps you might have an extra copy?). Also, do you have a copy of the Interior study dated January 16, 1969, concerning "Cost of the Oil Import Program to the American Economy", which is mentioned on p. 3 of Mead's paper.

SECRET

SECRET

3

Again, many thanks for the help.

Sincerely yours,

*Rod*

Roderick M. Wright  
Petroleum Officer

cc: Robert L. Dowell, Jr., Esquire (w/annotated bibliography)  
Petroleum Officer  
American Embassy  
Tehran, Iran

SECRET

FOREIGN SERVICE OF THE UNITED STATES OF AMERICA  
OFFICE OF THE AMBASSADOR

12.29.60

Date.....

Mr. Ambassador:

Sub: The Attached

Charlie McCaskill will set up the appointment  
with the head of the Israeli Mission. Could  
he come to the office to see you this coming  
monday, January 5, at 1430? Your **OK**  
schedule is otherwise free that afternoon.

ar

~~Answer~~  
~~No. Let's~~  
~~wait till had a. m.~~  
~~to decide when~~  
~~talk to me~~  
~~about it at the~~  
Dec 31

UNITED STATES GOVERNMENT

# Memorandum

*BIC*  
(ISRAEL)

TO : The Ambassador  
THRU : The DCM *WJH*  
FROM : POL - CWM *CWM*

DATE: December 18, 1969

*11*  
*JEL A-18*

SUBJECT:

My contact in the Israeli Mission called today to say that "his Ambassador", Mr. Ezri, would like to arrange a meeting with you. I told him that I would inquire and let him know.

Mr. Ezri is the Chief of the Israeli Mission here and, while he has the personal rank of Ambassador in his own service, he has no Ambassadorial rank here. He is not listed in the diplomatic list and is not included in diplomatic functions. He operates in a sort of limbo, neither fish nor fowl.

Our relations with the Israelis here have never been close, though we do maintain contact on the working level. They are fairly good sources of information, and at that level, we have found it fruitful to keep in touch.

In your discretion and when you have time, I think you might receive Mr. Ezri here. Since he does not have Ambassadorial rank, there would be no question but that he should call on you. If you approve, I will call my man back, and tell him that you are very busy ~~making your calls on other Ambassadors now; but when you do have time, you would be glad to receive Mr. Ezri here.~~ Then when you do have the time, we can go ahead and set up his call.

*been ill* ~~your calls on other Ambassadors now; but when you do have time, you would be glad to receive Mr. Ezri here.~~ *and have*

*(perhaps in next few days or so)*

Decontrol following December, 1970

*But you'll call Monday next  
re a paper for date + time*

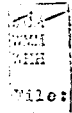
LIMITED OFFICIAL USE



DEPARTMENT OF STATE

Washington, D.C. 20520

SECRET



March 17, 1970

TO: NEA/IRN - Mr. Miklos  
FROM: E/ORF/FSE - James E. Akins *J.E.A.*  
REFERENCE: Your Memorandum dated March 12, 1970  
SUBJECT: Throughput of Israeli Pipeline

Our estimate based on available information is that about three-quarters of the oil going through the Israeli Pipeline comes from Iran. The rest, amounting to some 75,000 to 100,000 barrels per day, comes from the Bela'im offshore and onshore fields in Sinai, occupied by Israel since June 1967.

Of the oil going through the Israeli pipeline from Iran, we believe most of it is owned by the National Iranian Oil Company (NIOC). In January Iranian offshore concessions produced 340,000 b/d, of which NIOC's share would be about 170,000 b/d. (However, not all of this is available to go through the Israeli pipeline since NIOC has some customers East of Suez).

As much as another 100,000 b/d of NIOC oil could be going through the Israeli pipeline under barter oil agreements between NIOC and the Consortium, by which up to a certain amount of oil can be purchased by NIOC from the Consortium at a "quarter-way" price for sale only to specified countries in Eastern Europe. Much of this oil is believed to be going to Romania.

It is possible that some Iranian oil from Iricon members or other small companies without interests in Arab countries are using the Israeli pipeline. However, we have no evidence that any of the major oil companies or companies producing in any Arab country are using the line. And we doubt that they would do so.

E/ORF/FSE/WClark, Jr:led

SECRET



AMEMBASSY TEHRAN

ACT

SECRET

CONTROL: 5820

August 22, 1970

ACTION: R 221140Z AUG 70  
 FC0N-5 FM AMCONSUL DHAHRAN  
 TO RUEHC/SECSTATE WASHDC 1825  
 INFO RUQVAM/AMEMBASSY TEHRAN 551  
 RUQAVL/AMEMBASSY TEL AVIV 52  
 RUQVRA/AMEMBASSY JIDDA 2605  
 RUQVKW/AMEMBASSY KUWAIT 781  
 RUOTCR/AMEMBASSY LONDON 817  
 RUQMBE/AMEMBASSY BEIRUT 711  
 BT  
 S E C R E T DHAHRAN 515  
 DEPARTMENT PLEASE PASS CAIRO

SUBJ: EILAT-ASHQUELON PIPELINE

1. AT THIS CRITICAL TIME, WE BELIEVE ANY US ASSOCIATION WITH EILAT-ASHQUELON PIPELINE SCHEME MIGHT INVOLVE DANGEROUS RISKS VIS-A-VIS OUR RELATIONS WITH FRIENDLY ARAB OIL PRODUCING STATES AND WOULD PROVIDE BADLY-NEEDED AMMUNITION IN ARAB EXTREMISTS FIGHT AGAINST CURRENT PEACE EFFORT LAUNCHED BY U.S. POPULAR FRONT FOR LIBERATION OF PALESTINE IN JULY 11 ISSUE BEIRUT WEEKLY AL-HADAF HAS ALREADY ACCUSED US, SAG AND IRAN OF PLOTTING AGAINST ARAB INTERESTS BY ARRANGING TO HAVE ADDITIONAL IRANIAN OIL PUMPED THROUGH THE ISRAELI-LINE.
2. MOREOVER, AT TIME WHEN ALL PRODUCING STATES IN GULF ATTEMPTING INCREASE PRODUCTION, ANY MOVE THAT WOULD SEEM TO ASSIST ONE PRODUCER (I.E. IRANIAN NATIONAL) TO BETTER ITS POSITION IN LUCRATIVE EUROPEAN MARKET WOULD BE DEEPLY RESENTED BY GOVERNMENTS OF ARAB OIL PRODUCING STATES AND US OIL FIRMS OPERATING IN AREA.
3. IN SHORT, WE FEEL THIS ESSENTIALLY MATTER BETWEEN IRANIANS AND ISRAELIS AND BOTH ASTUTE ENOUGH TO SEE POSSIBILITIES OF EILAT-ASKQUELON PIPELINE WITHOUT PROMPTING BY USG.

DINSMORE

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**EXDIS**

Department of State

**TEHRAN**  
Ambassy TEHRAN

**ACTION:** SecState, WashDC

5654 7

**INFO:** Ambassy LONDON  
Ambassy BOMB  
Ambassy BELGRADE  
Ambassy ATHENS  
Ambassy BRUSSELS  
Ambassy THE HAGUE  
Ambassy BEIRUT  
Ambassy AMMAN  
Ambassy JEDDA  
Ambassy TEL AVIV  
Ambassy KUWAIT  
Amconsul DHAHRAN  
USMISSION NATO  
USMISSION EC BRUSSELS  
USMISSION OECD PARIS  
USINT CAIRO

24 AUG 70  
1400

**SECRET TEHRAN 3654**

**EXDIS**

**SUBJECT:** Eilat-Ashqelon Pipeline Potential

**REF:** STATE 135651

1. Iranian oil in principle available for possible Western European sale via Israeli pipeline is:

(a) oil sold by Consortium members. Because Consortium members have extensive interests in Arab countries which would be jeopardized by use of Eilat pipeline, Consortium does not use it.

<b>RECORDED:</b> MacArthur, Jan	<b>DRAFTING DATE:</b> 8-24-70	<b>TEL. EXT.:</b> 2120	<b>APPROVED BY:</b> AMB: MacArthur JT
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~~SECRET/EXDIS~~



(b) oil from Consortium area made available to HIOC. HIOC does not sell Consortium area oil in markets in Western Europe already served by Consortium members. HIOC does barter Consortium oil to LE's, mostly Romania. Some of this oil does transit Silet pipeline, but the HIOC for obvious reasons claims it does not know the ultimate destination of the oil it sells nor how it will travel.

(c) Oil from HIOC joint ventures with foreign manufacturing companies, mostly produced offshore.

2. Embassy estimates HIOC has about 300,000 b/d offshore (para.

(c) above) oil available for sale 1970, 400,000 b/d 1971, most of which finally committed East of Suez to Madras refinery (owned in part by HIOC), Japan, Singapore. It would be extremely difficult for HIOC to abandon these commitments (especially case of Madras refinery), particularly since these are painfully developed

and long-term markets which HIOC would not want to lose for probably shorter-term opportunities created by Libyan cutbacks. 100,000 b/d estimated balance offshore oil now available for HIOC sales West of Suez marketed for it by its joint venture partners. This balance could be raised by another 80,000 b/d in near future. These joint venture partners also have Arab investments which make them unwilling use Israeli pipeline.

3. Iran is of course eager expand oil offtake wherever it can, and it will need no rpt no stimulus from us or others to use Silet pipeline to greater extent should this prove feasible.

~~SECRET/NOVA~~

SECRET/NOVA

Accordingly, we think it would be both dangerous to our relations with Arab world, and unnecessary, for us to suggest

for expand use of Khat pipeline for Iranian oil.

4. DEPT PLEASE PASS AMEMBASSY BOMB, BELGRADE, ATHENS, BRUSSELS,  
THE HAGUE COMMISSION NATO, EC BRUSSELS, OECD PARIS AND USINT CAIRO.

MACAELER

*T. Marshall*

SECRET/EXCISE

38

EMBASSY OF THE  
UNITED STATES OF AMERICA  
Washington, D. C. 20541

EMBASSY OF THE  
UNITED STATES OF AMERICA  
27 OCT 1971

DATE: October 7, 1971

SUBJECT: Israeli Pipeline

PARTICIPANTS: A.K. "Pete" Wolgast, USAO  
Warren Gluck, F/GRB/USA

COPIES TO: Ambassador, USIA/USA  
Deputy Assistant Secretary, Middle East  
Embassy, Cairo  
Embassy, Beirut  
RIA/RIA  
DCI/DIR  
CIA/ODS  
TDR (10)  
F/GRB/USA (3)

20

Mr. Wolgast said Israel's best estimate of the current throughput capacity of the Israeli pipeline was only 400,000 barrels per day. He said this was based on a number of sources, including talks with Israelis who were knowledgeable about the Israeli oil industry; recent statements made in the Israeli press; and other sources. The Shah of Iran, who in the past has said he has an equity interest in the Israeli pipeline, also gave an estimate close to this figure (450,000 b/d).

Mr. Wolgast said the Israeli source said actual throughput in September was about 300,000 b/d, that plans are to increase capacity to 600,000 b/d in 1971; 800,000 b/d before 1972 and 1973, and 1.2 million b/d between 1973 and 1979. He said estimates of throughput costs were 20 cents per barrel.

Mr. Wolgast said the Israeli sources also said that almost all the major international oil companies were directly or indirectly using the Israeli pipeline. Mr. Wolgast added he could not confirm this estimate, but that his company was not using the line.

(i) Comment: In an earlier conversation with an executive of Standard Oil of Indiana, he volunteered that his company would like to use some of its production from its INOC concession offshore from along the Israeli pipeline. The enthusiasm with which he made this revelation led the reporting officer to suggest that authorities in Japan, then most of Standard Oil of Indiana's interests in the Middle East are located, may know this use of the Israeli pipeline and that not only (Working draft of 10/12/71)

FORM DS-1157  
2-71

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Tehran, Iran

October 23, 1979

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OFFICIAL-INFORMAL

Warren Clark, Esquire  
S/FEE  
Department of State  
Washington, D.C. 20520

Dear Warren:

Your October 2 memorandum of conversation with Pete Wolgast contained some surprises. I had never heard that Iran, much less the Shah personally, has an equity interest in the Israeli pipeline. My understanding was that the Israelis had asked the GOI if it would permit oil of Iranian origin to transit the line. The Iranians replied in the affirmative, thus assuring the Israelis of a large enough throughput to make a pipeline of the size intended economically viable.

The question of who "uses" the line, of course, is largely a matter of definition. Presumably the extremist Arabs would say that any oil company selling its oil to a purchaser who it (the seller) knows or should know will put the oil through the pipeline is itself "using" the line and is thus a legitimate target for retaliation. From this viewpoint, it would be true to say that many major internationals are "using" the line. However, representatives of oil companies here, big and small, swear that their companies do not send oil to which they themselves have title through the pipeline. They all say they know this would be unacceptable to all Arab governments including Saudi Arabia, Kuwait, and the sheikdoms.

I was also puzzled by your comment that an SOI executive reports that most of IPAC's production is going through the Israeli pipeline. As it happens, I just had a conversation this week with Dave Wilkie who is operations manager for IPAC. He says that because of the IPAC-NIOC tax/price dispute, Standard is lifting no oil at all for itself, and hence production is cut back severely to just enough to provide for liftings by NIOC. These liftings are some 50,000 b/d which NIOC is committed to supply to the Hadram refinery and about 25,000 b/d which, in Wilkie's words, "NIOC" sells to Israel. He went on to explain that apparently this fills in some shortfalls in Israel's own production of oil for its own internal use.

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- 2 -

Since this leaves the whole picture rather cloudy, perhaps the next time you talk to Pete and the gentleman from Standard, you could press them on these points. It would be particularly interesting to know, if Standard's share of IPAC production before the shutback did indeed transit the Israeli line, whether at that point it was still owned by Standard or had passed to a purchaser.

All good wishes,

Sincerely,

John L. Washburn  
Petroleum Officer

cc: NEA/IRN (RDowell)

SECRET



DEPARTMENT OF STATE

Washington, D.C. 20520

November 25, 1970

OFFICIAL INFORMAL  
SECRET//NOFORN//NOFORN

John Washburn, Esquire  
Petroleum Officer  
American Embassy  
Tehran

Dear John:

Thank you for your letter of October 29 in response to my memcon of October 8 with Pete Wolcast on Israeli pipeline throughput. My footnote about Iran's equity interest in the Israeli pipeline was based on a number of remarks made by the Shah in the last few years mentioning his "interest" in the pipeline, but especially on his conversation with the Consortium members in Zurich on January 31, 1969.

In the Consortium's minutes of that talk, the passage dealing with the proposed Iran-Turkey pipeline reads as follows:

"The Shah said that the (Iran-Turkey) pipeline was not a pet project of his; he saw the advantage, in the same way the members did, of keeping the flexibility afforded by tanker exports from Kuwait Island, but on the other hand, he would not turn down the chance of earning an extra 10 cents a barrel if that was what the pipeline offered. It was merely a question of economics: if the pipeline was an economical one he was for it, if not he would not. HII added that it was open to Iran to use the Israeli pipeline, particularly since they had an interest in the line. The Arabs could not prevent this, and he did not want and did not expect the Arabs to have a victory over Israel . . ."

It was particularly the proprietory tone and sense of this passage, plus other statements at other times, that led me to conclude that the Shah (or Iran, for I am afraid I sometimes fall into Iranian practice of equating the

SECRET

Imperial "we" with both) had a direct financial interest in the pipeline, rather than merely some throughput agreement.

In his conversation with Hedlund and Pace September 27, 1977 the Shah brought up the Israeli pipeline, noted that "Iran is not a stranger to this project", and seemed to be gently promoting its use.

Bob Dowell seems to recall Ambassador Meyer inferring from a talk he had with the Shah that Iran had financial interests in the Israeli "2" pipeline. To Bob's recollection this talk took place about the time, in 1987 or so, that the Israelis were redoubling their efforts to find the necessary financing for the line.

There was a CIA report recently (CG-B 321/30217-72 dated 24 October 1977) that Agha Jari crude purchased from a "S" firm is going through the Israeli pipeline now, in addition to NIOC oil. This report was of course not evaluated. Place of acquisition of the information was Tel Aviv.

For what it is worth, the Iranian Embassy has been telling the Egyptian Interests Section of the Indian Embassy here, and us, that no NIOC oil at all is going through the Israeli pipeline. When I asked my friend Youssef Akbar of the Iranian Embassy what he meant by that, he said NIOC sells the oil at Kharg Island or wherever, and where the purchaser takes the oil is his business, not NIOC's.

The source of my information on SOI's use of the Israeli pipeline was Mr. Falkingham, SOI's General Manager in Iran. As well as Bob Dowell and I can recall, his words went something to the effect, "Our (offshore) production goes through the Israeli pipeline". Perhaps Falkingham can provide you with any more information you may require, if he is still in Iran.

Speaking of SOI, there are still several aspects of the IPAC business that mystify me. In your letter of October 3 you said that Egbal's position was that IPAC may not have prices discounted from the posted price used for calculating taxes and royalties, and that this "directly contravenes" a provision in the IPAC agreement which sets up a committed which "may" grant IPAC discounts. Although NIOC may allow discounts,

is it under any obligation to do so other than under the broad language in article 21-1 of the agreement? Also, for us to better understand the problem, it can be helpful to have details on the basis of the Embassy's estimate that Iranian production would be 200,000 b/d greater had the IPAC dispute been settled a year ago (Tehran 4355). Tehran's 5109 leads me to hope that the resolution of the IPAC/MIOC issues are now somewhere on the horizon.

Bob and I were interested in the Embassy's A-314 of October 29 about the LNG plant proposed by Kaiser. As you know, projects are now under way to import LNG into the US from Algeria and Venezuela, and studies have been made on importing LNG from Nigeria, which is somewhat further by sea than Algeria. The current cost estimates are that Algerian LNG would be considerably more expensive than present sources (about 63 cents per million Btu regassified at the US port vs. about 43 cents for gas now delivered at the East Coast by pipeline from Texas and Louisiana). We will no doubt end up paying the higher cost, however, since, as Kaiser rightly points out, we are running out of available gas in this country and will pay more rather than do without. However, I would be surprised if it was yet feasible for Persian Gulf LNG to be at all competitive in the US market with LNG from other sources as Kaiser apparently implied by suggesting that long-term contracts with US East Coast public utilities could be used as "collateral" for loans. Most of the cost of an LNG project is in the tankers; an LNG tanker about the size of a 40,000 or 50,000 dwt oil tanker costs in the neighborhood of \$40 to \$50 million (i.e., more than twice the cost of a 250,000 dwt oil tanker), so that costs increase very rapidly with the distance the LNG tanker has to travel.

If there is any potential market for Persian Gulf LNG during the next four or five years (the time it would take to get an LNG project going when starting from scratch) I would think it was Japan rather than Europe or the US. None of the industry sources we have talked to believe that even LNG to Japan is as yet feasible from the Persian Gulf, although all seem to agree that it will be someday as market prices rise. Japan is now getting LNG from Alaska and will be getting some soon from Brunei. I would suspect that closer sources of gas to Japan such as Indonesia might be tapped before going

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another three thousand miles or so to the Persian Gulf. In this connection, we would be most interested in the current status of plans mentioned by Mr. Firoozan of NIGC by American, French, and Italians for LNG plants in Iran. Do you agree with his assessment that time is short if Kaiser or others still want to get in on an LNG project in Iran? Incidentally, Kaiser reportedly mentioned that Iran had "unused capacity" of 450,000 cubic feet per day. Do you know how they got this figure? According to the Iran Oil Journal of October 1970, Iran in August was flaring about 1.9 billion cubic feet per day (56.4 billion cubic feet per month). Has flaring been greatly reduced now by the opening of the gas pipeline to the USSR?

This letter has become rather long. I hope it does not sound too contentious, for I don't mean it to sound contentious, but I thought it important to share with you some of our views and reactions.

With every best wish for the holidays,

Sincerely,



Warren Clark  
Office of Fuels & Energy

cc: NEA/IPM - Mr. Dowell  
Commerce/OICP - Mr. Hale

Tehran, Iran

December 23, 1970

OFFICIAL-INTERNAL  
SECRET

Warren Clark, Esquire  
S/PAL  
Department of State  
Washington, D.C. 20520

Dear Warren:

Many thanks for your letter of November 25, which, such are the vagaries of air pouches these days, arrived only a few days ago. On the question of an Iranian equity interest in the Israeli pipeline, I don't really know where I come out after reviewing your points. I was aware of the Shah's comments to the Consortium representatives in Zurich, but I did read his statement there that Iran had an interest in the line as meaning that the GOI had made a statement of intent to use the line to the Israelis which the latter had used in support of the line's bankability. I have also subsequently been told by Eng. Sepshban, Director of NIOC's Office of Economic Research, that the GOI had no need of a financial investment in the line because the Israelis were good at getting financing and very much wanted Iran to use the line in any case. As a result of all this, I am inclined to bring in a Scotch verdict of not proved until I can do some more digging around on the subject. I'll also try to see if CAS can help me out on this. I have also seen a copy of the Tel Aviv CIA report. I think what is behind this is that the NIOC receives crude from the Consortium under the arrangement with which you are familiar and sells it to Romania. This is all Agha-Jari light and goes, of course, travel through the Israeli pipeline, but no international company is connected with it.

Youssef Akbar's line is the standard GOI/NIOC position. The NIOC does in fact usually make purchasers bear the responsibility for transporting the oil through the Israeli pipeline or whatever other form of transportation they choose.

The story with GOI's crude is the same as the Agha-Jari crude. That is to say the oil is indeed produced out of GOI's concession, but half of it becomes the property of the NIOC under the joint venture agreement. NIOC sells much of this share to purchasers who transport it through the Israeli pipeline. However, INAC has reconfirmed to me that it does not send any of GOI's share of the concession's production through the Israeli pipeline.

Downgraded at 12-year intervals,  
not automatically declassified

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- 2 -

Further on the IPAC problem, I perhaps did not make it clear that Ebel's position is that IPAC had no right to so much as ask for discounts and that, therefore, they are not a proper subject for negotiation or discussion between the parties. Our estimate that IPAC's production would be 200,000 b/d larger had its dispute been settled a year ago was provided to me directly by Dave Wilke, the manager of IPAC. There seems to be no possibility for a resolution of this awful mess in the near future. Vanderbeek (you will have seen our reporting on him stating our pleasure at his performance so far) must have time to find his feet and the whole aftermath of the sacrifice of Falkingham on the altar of Ebel's ego will take a while to die out.

Thank you for the very helpful background on LNG. I had not been aware of the full complexity of the economics of this new industry and I am very grateful to have the information at hand. We will be checking shortly again on the status of the applications to NIOC for LNG plants. I rather suspect that Mr. Firoozan may have been somewhat exaggerating the shortness of time available to Kaiser to make its application. I don't know where Kaiser got the 450,000 cubic feet per day gas availability figure, unless they were managing just one field. The Iran Oil Journal figure is as good as any I know for current rates of flaring. Flaring has not been greatly reduced by the USSR pipeline because much of the gas in the pipeline is supplied by special new wells drilled particularly for the purpose.

I enclose a document recently received under the table from NIOC and a copy of a memo I wrote for Bill to the Ambassador about it. As far as anyone in the Consortium here knows, the Consortium has not attempted to reply to the figures in this booklet. For the reasons I gave in the memo, I think it would be very desirable if we could get both sides discussing their respective figures now that the NIOC has produced what seems to me a very respectable presentation. In addition, I'd be interested in any general views on the booklet of representatives of Consortium members visiting you. Particularly, I'd be interested in any scuttlebutt that they might have as to the identity of the consultant whom I suspect wrote the analysis for the NIOC.

Don't ever worry about sounding contentious (and you didn't). We have to bat things back and forth to get the best appraisal possible for situations which at the best are generally pretty murky. I hope that this arrives in time to make appropriate my warmest wishes for a very happy New Year.

Sincerely,

John L. Washburn  
Petroleum Officer

SECRET

# AIRGRAM

POL 17 IRAN-ISK

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ASST. DIR.	ADM.	SEC.	INSP.	INT.	OFF. OF CON.	STATE	INFORM.	TRAINING	CONSUL.	ATTACHES	OTHER

Original to be filed in \_\_\_\_\_ Decentralized Files

FILE DESIGNATION

CONFIDENTIAL

CA-55

ROUTING INDICATOR

TO : Amembassy TEHRAN

EMBASSY OF THE UNITED STATE OF AMERICA

12 JAN 1971

JAN 6 12 43 PM '71

TEHRAN

FROM : Department of State

DATE

SUBJECT : Minister in Charge, Iranian Mission to Israel, Ebrahim Teymuri

REF : Your A-347 of December 7, 1970

The following information on Ebrahim Teymuri, extracted from Kuwait's A-218 of April 9, 1964 (sent to Tehran), is submitted in reply to referenced airgram. Additional information is not available.

Interest was evinced in the Shaykhdoms of the Southern Gulf by members of the Iranian Foreign Minister's party which visited Kuwait March 28-30. In particular, Ebrahim Teymuri spoke at some length with the reporting officer on the subject. Teymuri, who affirmed he was in charge of the Persian Gulf Division of the Foreign Office, was evasive about his role on the delegation and concealed his recent service in Israel by stating he had served in Bern, Switzerland, the past 6 years and in London before that. He claimed to know little about the Gulf stating he had not visited any of the Shaykhdoms and had only assumed his functions at the Foreign Office two months before.

ROGERS

GROUP I

Excluded from automatic downgrading and declassification

CONFIDENTIAL

For Department Use Only

In \_\_\_\_\_ Out \_\_\_\_\_

FORM 25 323

Drafting Date: 12/28/70

Contents and Classification Approved by: INR/OIL/B-PEHuff

INR/OIL/CS-OSidekel:smr

NEA/IRN-TWChilds (in substance) Re

INR/OIL/CS-OSimmons

INR/DDM-MKStanley

CONFIDENTIAL

The Files-(Iranian Mission File)

May 19, 1971

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Lub

Jay Freres, Political Officer, AmEmbassy Tel Aviv

Ebrahim TEYMURI, Chief of Iranian Mission in Israel

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CA-55, January 6, 1971

On April 27, 1971, I called on the new head of the Iranian Mission to Israel, Ebrahim Teymuri, at his request. Teymuri indicated that he wished to maintain contact with the American Embassy as he had done during a previous tour in Israel (1960-1964?).

In the course of conversation, Teymuri indicated that the Iranian Government believes Israel should display more flexibility in its negotiations with the Arabs. He argued that it was not to Israel's long-term advantage to insist on the retention of Arab lands since this would only aggravate and prolong the Arab-Israel conflict.

TEYMURI, Ebrahim

Teymuri inquired whether the U.S. would put pressure on Israel to withdraw in accordance with something like the Rogers Plan. I told him that our Government is trying to persuade Israel to come out with its own ideas on a peace settlement and that we did not intend to force Israel to accept the Rogers Plan or any preconceived settlement plan.

Teymuri seems to be friendly to the United States and its Near East policies. He confirmed that he had been in charge of Persian Gulf affairs during part of the time between his departure from Israel and his return a couple of months ago (Ref CA). I did not press him on this, our first meeting, as to details of what he had been doing in connection with Gulf affairs.

I assume that Teymuri's status is the same as that of his predecessor, Ferydoon Farrokh, i.e. that he is technically a part of the Iranian diplomatic staff at Bern, Switzerland, but who is actually in charge of the semi-covert Iranian Mission in Israel.

The Iranian Mission in Israel seems to have about three officers, including Teymuri. The others I have met were Lt. Chazi-Zadeh who dealt (in 1969)

INR JPF:eres:lah 5/19/71

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mainly with Iranian-Jewish students in Israel, and Mahmoud Izadi, a political officer. (Izadi expects to leave before the end of 1971). The Mission is located in a villa at 28 Jabotinski Street, Ramat Gan, (tel: 733-033). Teymuri lives in the villa.

Switzerland protects Iranian interests in Israel and applicants for Iranian visas are directed to the Swiss Embassy in Tel Aviv. However, an Iranian Mission employee handles the visa issuances.

cc: INR/OIL/E  
CIA/OIC  
AmEmbassy Tehran (POL)

CONFIDENTIAL



DEPARTMENT OF STATE

Washington, D.C. 20520

March 23, 1972

SECRET/NOFORN - EYES ONLY

OFFICIAL-INFORMAL

John L. Washburn, Esquire  
American Embassy  
Tehran

Dear John:

In view of the "No Dissem Abroad" restriction on the enclosed CAS report you may not have seen it. I've put the "Eyes Only" caption on this letter as we should hold very closely the fact that I have passed it along.

In para 3 the report suggests that NIOC has an equity interest in the Eilat-Ashkelon pipeline. A few years ago I gained the impression that GOI had some undefined financial interest in it. I had assumed however that this was limited to loans, guarantees, and/or throughput agreements; equity participation however surprises me. Any information you may have on this question would be of interest to us.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. Dowell".

Robert L. Dowell, Jr.

Enclosure:  
CAS Report 00-B-321/00088-72  
dtd 1/14/72

SECRET/NOFORN



DIRECTORATE OF INTELLIGENCE

# Intelligence Information Report

*Guy Coiro*  
*143-7931*  
*Pipeline*

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

S-E-C-R-E-T

<b>COUNTRY</b>	Israel/Iran	<b>REPORT NO.</b>	OO-B-321/00088-72
<b>SUBJECT</b>	Eilat-Ashkelon Pipeline/Increased Capacity/Second Pipeline/Additional Mooring Buoys/National Iranian Oil Company Partnership	<b>DATE DISTR.</b>	14 JAN 1972
		<b>NO. PAGES</b>	2
		<b>REFERENCES</b>	<i>IRNA/IRN</i> <i>[Handwritten marks]</i>
<b>DATE OF INFO.</b>	December 1971		
<b>PLACE &amp; DATE ACQ. BY SOURCE</b>	Tel-Aviv/December 1971		
<b>THIS IS UNEVALUATED INFORMATION</b>			

**SOURCE:** US citizen; executive of firm engaged in manufacture of offshore oil equipment.

1. During discussions with Ben Dor, Chairman and Managing Director, Eilat-Ashkelon Pipeline Company, and Bar-zev Shaul, General Manager, Maritime Bank of Israel, it was learned that present planning calls for an ultimate capacity of 120 million tons per year. This figure will be reached within three years primarily through the addition of a second 42 inch pipeline and changes in the floating storage facilities at Ashkelon. It is estimated that the ultimate capacity of each pipeline will be 60 million tons. Present capacity is 40 million tons and the volume for calendar year 1971 was about 20 million tons.
2. In addition to the second pipeline, the following changes are planned. At Eilat the loading dock which currently handles two 100 thousand dead-weight tonnage tankers will be expanded to be able to handle two additional tankers in the 150 thousand dwt class. On the Ashkelon side, there are currently two multi-point and one single point mooring buoys. In January 1972 a contract will be awarded for a fourth buoy, which will be a single point mooring system. In May 1972 berth one, a multi-point buoy, will be replaced by a single point buoy. Ten months from the completion of the fourth buoy, berth five, a single point system, will be added. The single point system allows 60% greater utilization of the berth when compared to the multi-point system because the moored vessel can rotate 360° around the single buoy terminal with changes in wind, tide and current.



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3. After many attempts to keep it secret, Ben Dor admitted that the Eilat-Ashkelon Pipeline Company is half owned by the National Iranian Oil Company (NIOC). Dor had requested five year financing on the changes in the mooring system described above. The US firm's bank ran credit checks on the pipeline company and determined that it is 50% owned by the government of Israel and 50% by APC Holdings of Montreal. The bank then tried to determine the location of and names of the officers of APC but were unable to

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GROUP 1  
EXCLUDED FROM AUTOMATIC  
DOWNGRADING AND  
DECLASSIFICATION

S NO

**CONTROLLED DISSEM**

**NO DISSEM ABROAD**

The dissemination of this document is limited to civilian employees and active duty military personnel within the intelligence components of the USIB member agencies, and to those senior officials of the member agencies who must act upon the information. However, unless specifically authorized, this information is not to be released to those components of the departments and agencies of the U.S.C.

do so. When told that the inability to identify APC Holdings was hindering the financing, Dor stated that officials of NIOC were his partners. He added that most of the crude pumped through the pipeline is from Iran. Dor mentioned that two 225 thousand dwt tankers are under construction in Norway by Maritime Fruit carriers. One is almost completed and the other will be finished in a few months. They will both carry crude from Iran to Eilat.

- end -



Department of State

TELEGRAM

AMEMBASSY TEHRAN

TP

R 091230Z FEB 73

FM AMEMBASSY TEL AVIV <sup>Classification</sup> CONFIDENTIAL

TO RUEHC/SECSTATE WASHDC 7237

INFO RUESKQ/AMEMBASSY AMMAN 5799

RUESSE/AMEMBASSY BEIRUT 3307

RUDICR/AMEMBASSY BELFAST 0002

RHEIVC/USINT CAIRO 3039

RHQSHW/AMCONSUL DHAHRAN 0100

RUESRA/AMEMBASSY JIDDA 0492

RUDIC/AMEMBASSY LONDON 1946

RUESHR/AMEMBASSY TEHRAN 0394

BT

C O N F I D E N T I A L TEL AVIV 1105

TEL AVIV 1105  
Feb. 10, 1973  
0939

SURJ: MARITIME FRUIT CARRIERS UNDERTAKE MAJOR EXPANSION.

1. ISRAEL-BASED MARITIME FRUIT CARRIERS COMPANY HAS TWICE BEEN IN NEWS THIS WITH ANNOUNCEMENTS MAJOR PURCHASES IN UK. FEBRUARY 1, COMPANY ANNOUNCED ORDER FOR SIX SUPER TANKERS OF 330,000 TON CLASS VALUED AT BRITISH POUNDS 150 MILLION FROM HARLAND AND WOLFF COMPANY OF BELFAST. FEBRUARY 7, PRESS REPORTED FORMAL ANNOUNCEMENT EXPECTED OF ANOTHER ORDER FOR SIX SUPER TANKERS OF 250,000 TON CLASS AND SIX REEFERS OF ABOUT 10,000 TONS EACH FROM SWAN HUNTER, NEWCASTLE. THESE ORDERS FOLLOW ON ORDER IN US FOR THREE SUPER TANKERS OF 380,000 TON CLASS.

2. ALL THESE ORDERS SEEM TO FIT PATTERN OF MARITIME PAST EXPANSION, BEING BASED ON READINESS GOVTS TO EXTEND GENEROUS FINANCING TO KEEP THEIR SHIPYARDS AT WORK.

3. WE ASSUME THAT ORDERS PROBABLY NOT RELATED TO INTEREST IN KEEPING ELIAT-ASHQELON PIPELINE FULL. CAPACITY OF TANKERS ORDERED APPEAR TO BE OVER TWICE AS MUCH AS WOULD BE NEEDED TO FILL PROJECTED 40 MILLION TON PER YEAR CAPACITY OF PIPELINE. NEW TANKERS LIKELY TO BE USED GENERALLY IN OIL CHARTER TRADE UNDER VARIOUS FLAGS BUT WITH CONCENTRATION ON DELIVERY IRANIAN CRUDE PERHAPS TO US.

SDS

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# CONFIDENTIAL

ISRAEL

Uriel LUBRANI

Ambassador-Designate  
to Iran

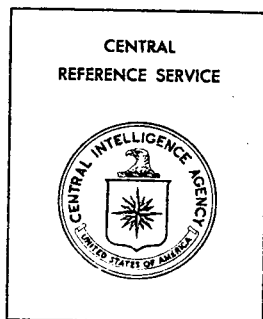
Uriel Lubrani (pronounced LoobrahNEE) has been on the Koor Industries Management Board as director of joint enterprises and projects abroad since mid-1971. This board determines basic policy for Koor Industries Ltd., Israel's largest industrial corporation.

### Early Life and Career

Uriel Lubrani was born on 7 October 1926 in Haifa. He graduated from prestigious Reali High School in Tel Aviv in 1944. He has a B.A. (honors) from the University of London. Lubrani served in the Haganah and the Israeli Defense Forces from 1944 to 1948. He entered the Foreign Ministry in 1950 and served first in the Middle East Division, and then as private secretary to the late Foreign Minister Moshe Sharett from 1951 to 1953. He was in London from 1953 to 1956.

Lubrani was assistant adviser, and then adviser, on Arab affairs to former Prime Minister David Ben Gurion during 1957-61. His unsympathetic attitude toward Arabs at this time drew criticism from the Israeli press at least twice. Lubrani was assistant director general of the Prime Minister's office in 1963 when Levi Eshkol became Prime Minister. He continued to served under Eshkol as political secretary and director of his private office. In 1965 Lubrani resigned his post because, in his words, his loyalties to Ben Gurion prevented his feeling fully sympathetic to Eshkol.

Lubrani served as Ambassador to Uganda, Rwanda and Burundi from 1965 to 1968 and to Ethiopia from 1968 to 1971. During his tour in Kampala, Lubrani implemented Israel's aid program which involved



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Uriel LUBRANI

ISRAEL

placing advisers with the Ugandan army, air force ,  
and police. These contacts made him one of the  
best informed men in Uganda and the US Embassy  
found him to be a valuable and cooperative friend.

Personal Data

Lubrani and his wife, the former Sara Levi,  
have four children: Talia, Osnat, Dorit, and  
Nily. Lubrani contracted malaria in Uganda. He  
speaks excellent English.

CIA/DDI/CRS  
LKoch

22 June 1973

CONFIDENTIAL

Israel

AKK  
~~AKK~~

for ISRAEL  
B/O

CONFIDENTIAL

MEMORANDUM OF CONVERSATION

Tehran, December 5, 1973

SUBJECT : Iran: Miscellany

PARTICIPANTS : Areyeh Levin, Counselor, Israeli Mission  
Douglas Heck, Minister-Counselor

COPIES TO : AMB NEA/IRN OR  
POL Amembassy TEL AVIV

At the suggestion of Ambassador Lubrani, Areyeh Levin, Counselor of the Israeli Mission in Tehran, called on me December 5. He has only recently arrived but said that he and his family are reasonably well settled.

BIOGRAPHIC DATA: Levin was born in Tehran and educated here. He is a graduate of Community School in the days when it was a Presbyterian mission institution and a good number of its students were Jewish. After he went to Israel from Tehran he joined the foreign service, serving in Ethiopia, then as Charge in Ruanda. He has been in Paris for the last four years, which he characterized as a difficult and fascinating period. He is married and has several children. His wife is a musician and is not too happy with Tehran which she feels lacks musical and cultural opportunities. He speaks English well and is about 5' 6".

IMPRESSIONS OF IRAN: Returning to Tehran after a long period, Levin said he was astonished at the changes that had occurred. These included not only all the usual evidences of change in a city like Tehran, with better facilities, bigger buildings, higher standard of living, etc., but more important, he felt, there was evidence of more fundamental changes which suggested that the Shah was indeed successful in moving the country into the 20th century and changing some of its outlook. He mentioned, for example, that although there is much talk of corruption, the situation has actually significantly improved. When he was here before, ministers and key government officials could easily be bought. This is no longer true today and while ministers may have their hand in the till in one way or another, they cannot be bought outright. The system no longer permits this. Another important change is the presence in the government of educated, intelligent and experienced people, well qualified for their jobs. Thirty

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years ago even key officials could be illiterate and totally unequipped to deal with the responsibilities assigned to them. In short, Levin says he is impressed by what he has seen and optimistic about Iran's future.

ACTIVITIES IN TEHRAN: Levin said he has experienced no difficulties or hostility since he has been here. He moves around freely and no one has refused to see him. In this connection he mentioned a recent conversation with an editor with whom he was discussing anti-Israeli sentiment in Tehran during the recent war. The editor told him that pro-Arab support that developed during this period should be interpreted not only as an indication of popular support for the Arabs but also as an expression of opposition to the Shah. There were few ways in Iran that one could demonstrate against the present regime and being pro-Arab is a safe way to express one's self without getting into trouble. Many feel that the Shah does not favor a pro-Arab policy.

DCM:DHleck/rw

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Department of State

NIOC-4  
TELEGRAM

AMEMBASSY TEHRAN

CONFIDENTIAL

TEL AVIV 1876

Classification

Apr 2, 74 - 108

ACTION ZNY CCCCC ZZH  
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FM AMEMBASSY TEL AVIV  
TO RUEHC/SECSTATE WASHDC 2822  
INFO RUESHR/AMEMBASSY TEHRAN 564  
RUESRA/AMEMBASSY JIDDA 758

BT  
CONFIDENTIAL TEL AVIV 1876

E.O. 11652: GDS  
TAGS: ENRG, IS, IR  
SUBJ: PRICE OF PETROLEUM IMPORTS

POUCH  
KFOR REF: TEL AVIV 589  
TABR

16/rfb IN DISCUSSION MARCH 28 WITH FINNIN SAPIR AND HIS AIDES  
ASMON AND DAVRATH, THEY TOLD EXCOFFS THAT ISRAEL HAD  
NEGOTIATED CONTRACT TO BUY IRANIAN CRUDE AT PRICE OF  
16.52 DOLLARS PER BARREL. CONTRACT WAS FOR FIST SIX  
MONTHS OF 1974. THEY SAID THEY WERE STILL NEGOTIATING  
WITH IRANIANS WITH RESPECT PRICE FOR SECOND HALF OF  
YEAR. SAPIR SAID QUANTITY OF IRANIAN OIL INVOLVED  
EQUALS ROUGHTLY HALF OF ISRAEL'S NEEDS.

VELIGTES

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AMEMBASSY TEHRAN

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TO RUEHC/SECSTATE WASHC PRIORITY 2763  
INFO RUESOR/AMEMBASSY CAIRO 4183  
RUESRA/AMEMBASSY JIDDA 822  
RUESHR/AMEMBASSY TEHRAN 593  
RUESRE/AMEMBASSY BEIRUT 5639  
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E.O. 11652: GDS  
TAGS: ENRG, IS, IR  
SUBJ: ISRAELI PETROLEUM IMPORTS

REF: TEL AVIV 2550 AND 2557

INFO  
TABR  
16/1m

1. IN CONVERSATION WITH EMBOFFS ON JUNE 11, MOSHE BITAN, MANAGING DIRECTOR OF PAZ OIL COMPANY, STATED THAT HE HAD JUST RETURNED FROM TEHRAN WHERE HE HEADED ISRAELI TEAM NEGOTIATING PURCHASE OF CRUDE OIL. HE SAID THAT AGREEMENT HAD BEEN REACHED FOR 2 MILLION TONS, WHICH WOULD BE IMPORTED OVER SECOND HALF OF 1974, AT PRICE OF "93 PERCENT OF POSTED PRICE, I.E., ABOUT \$11 PER BARREL." HE ADDED THAT GOI IS TRYING TO NEGOTIATE COMPENSATION FROM IRANIANS FOR "OVERCHARGING" FOR 2 MILLION TONS OF CRUDE IMPORTED DURING THE FIRST HALF OF 1974 AT AUCTION PRICE OF \$16.53. BITAN DID NOT SEEM TO THINK THERE WAS MUCH CHANCE IRAN WOULD AGREE TO COMPENSATION, WHICH WOULD REQUIRE POLITICAL DECISION AT HIGHEST LEVELS.

2. BITAN SAID ISRAEL IS CONSIDERING THE POSSIBILITY OF STORING CRUDE OIL UNDERGROUND, AND PLANS TO DISCUSS TECHNICAL PROBLEMS INVOLVED WITH SWEDISH EXPERTS IN THE FIELD. HE SAID THAT AT PRESENT ISRAEL IS ABLE TO MAINTAIN FIVE-MONTH RESERVE OF COMBINED CRUDE AND DISTILLATES.

3. BITAN SAID HE WAS NOT PRIVY TO GOI CONSIDERATIONS OF POSSIBLE DISPOSITION OF ABU RODEIS OIL FIELDS. HE DID SAY THAT ISRAEL REFINING CAPABILITY WOULD NOT BE AFFECTED BY THE LOSS OF SINAI CRUDE. ALTHOUGH THE REFINERY AT ASHDOD HAD BEEN CONFIGURED WITH THE RELATIVELY HEAVY ABU RODEIS OIL IN MIND, A SHIFT TO LIGHTER CRUDE INPUT COULD BE ACCOMMODATED BY SLIGHT ADJUSTMENTS IN THE MIX OF REFINED PRODUCTS.

KEATING

CONFIDENTIAL



DEPARTMENT OF STATE  
**TELEGRAM**

ISRAEL

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FM AMEMBASSY BEIRUT  
TO RUQMAD/AMEMBASSY TEL AVIV 5511  
INFO RUEHC/SECSTATE WASHDC 2324  
RUQMKG/AMEMBASSY AMMAN 9735  
RUEHEG/AMEMBASSY CAIRO 2211  
RUFPHRO/AMEMBASSY ROME 2086  
RUQMHR/AMEMBASSY TEHRAN 4342  
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LIMITED OFFICIAL USE  
Classification

BEIRUT 0578

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EO 11652; NA ECOM 1/14/76  
TAGS: PFOR ENRG EG IR IS  
SUBJ: SHAH "OFFERS" OIL TO ISRAEL

KHOR  
TABR  
16/1m

REF: TEL AVIV 195

1. L'ORRIENT-LE-JOUR ARTICLE CITED REFTEL WAS LENGHY THINK-PIECE BY EDITOR-IN-CHIEF EDOUARD SAAB ON IRANIAN-EGYPTIAN RELATIONS, SHAH'S "GRANDIOSE" WORLD VIEW, AND IRAN'S POSSIBLE ROLE IN ME. SOURCE OF SAAB'S INFO NOT CLEAR BUT HE MENTIONED SHAH'S INTERVIEW WITH AL AHRAM.
2. PENULTIMATE PARAGRAPH REFERS GENERALLY TO AID "PERFUL" IRAN COULD GIVE TO "DEPLETED" EGYPTIAN REGIME, SAYING IRAN COULD EXPECT FREE ZONE AT PORT SAID IN RETURN AND THAT IRANIAN CAPITAL WOULD NOT ONLY ALLAY EGYPTIAN BUDGETARY DIFFICULTIES BUT ALSO INDUCE DEVELOPED WORLD TO CONTIBUTE TECHNOLOGY. PARA CONTINUES THAT SHAH COULD PLAY POLITICAL ROLE IN ARAB-ISRAELI CONFLICT AS MEDIATOR FOR DISENGAGEMENT OF FORCES IN SINAI.
3. SPECIFIC REFERENCE TO "OFFER" THEN READS: "TEHRAN WOULD UNDERTAKE TO ASSURE PROVISION OF PETROLEUM TO ISRAEL UPON RETREAT OF LATTER FROM TERRITORIES IN SINAI WHERE WELLS OF ABU RUDEISS ARE SITUATED. BUT OPERATION WOULD ONLY BE CONCEIVED IN FRAMEWORK OF OVERALL PEACE PLAN RIGOROUSLY CONFORMING TO SPIRIT AND LETTER OF SC RES 242. FOR CERTAIN WESTERN DIPLOMATIC CIRCLES IN (CAIRO), THIS DEMARCHE BY SHAH WOULD BE OF NATURE TO FAVOR REVIVAL OF KISSINGER MISSION, IN VIEW OF NEW ACCORD FOR SEPARATION OF FORCES."
4. SHORT AL HAWADITH ARTICLE PUBLISHED JAN 10 SAID ITS CAIRO CORRESPONDENT HAD LEARNED THAT SHAH HAD INFORMED ISRAELIS, VIA SECRETARY KISSINGER, THAT IRAN IS "PREPARED COMPENSATE ISRAEL FOR LOSS OF ABU RUDEISS OIL WELLS IF ISRAEL GIVES THEM BACK TO EGYPT." SHAH REPORTEDLY "WOULD PROVIDE SIXTY PERCENT OF ISRAEL'S NEEDS FREE OF CHARGE UNTIL FINAL ARAB-ISRAELI SETTLE-

FORM 85 (12M)  
11-73

Classification

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MENT IS ACHIEVED." MAGAZINE, NOTING ITS CORRESPONDENT HAD FILED HIS STORY BEFORE SHAM ACTUALLY ARRIVED IN CAIRO, ADMITTED THIS REPORT WAS "SPECULATION" AND ADDED THAT ITS CORRESPONDENT HAD BEEN ASKED TO VERIFY IT. "THIS SCOOP IS IMPORTANT," CONCLUDED HAWADITH, "BUT IT WILL BE MORE IMPORTANT IF ONE HUNDRED PERCENT TRUE."

5. COMMENT: WHOLE STORY SEEMS TO BE A BIT TOO TENOUS TO BE TAKEN SERIOUSLY AT THIS POINT. (WE NOTE THAT BEIRUT'S PRESTIGIOUS MIDDLE EAST ECONOMIC SURVEY IGNORED IT.) HAWADITH CORRESPONDENT SEEMS TO HAVE ONLY GRASPED STRAW IN WIND, AND SAAB MAY ONLY HAVE BEEN INDULGING IN SUPPOSITION. NEITHER ARTICLE MENTIONS MECHANICS OF HOW IRAN WOULD SUPPLY OIL TO ISRAEL (E.G., DIRECTLY OR INDIRECTLY), NOR DO THEY ELABORATE ON THAT MOST IMPORTANT CONSIDERATION, PRICE. ISRAEL PRESUMABLY NOW GETS ABU RUDEISS CRUSE AT COST. UNLESS POOR MUSLIM COUNTRIES ARE GIVEN DISCOUNT BY IRAN, IT IS DIFFICULT TO IMAGINE LATTER GIVING ISRAEL LESS THAN WORLD PRICE OF DOLS 10-11 PER BARREL. ISRAEL CAN, OF COURSE, GET OIL ANYWHERE AT THAT PRICE, BUT PROBABLY CANNOT AFFORD IT.

6. ON GENERAL SUBJECT OF CURRENT ISRAELI-IRANIAN RELATIONS, WE CALL EMBASSY TEL AVIV'S ATTENTION TO INTERESTING ARTICLE BY DAVID HOUSEGO THAT APPEARED IN JAN 8 ISSUE OF LONDON FINANCIAL TIMES (PAGE 5).

GODLEY

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Files

February 11, 1975

David R. Patterson

Iranian Oil to Israel

Dick Killian, Vice President of Gulf Oil Trading and Development Co., said that his company has a computer model that traces oil movements. They have discussed selling it to EOP and CIA.

This model shows, for first semester 1974, that slightly over 252,000 B/D of Iranian oil was going to Israel. Since then they have had difficulty getting an accurate fix.

ECON:DRPATTERSON:ms

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LIMDIS

E.O. 11652: GDS  
TAGS: ENRG, IS, IR  
SUBJ: CRUDE OIL IMPORTS FROM IRAN

REF: TEHRAN 2059  
FINANCE MINISTRY OFFICIAL HAS CONFIRMED TO EMBASSY  
THAT CRUDE OIL PURCHASE FROM IRAN IS CONTINUING AT  
LEVEL OF FOUR MILLION TONS PER YEAR. HE SAID THAT PRICE  
PAID BY ISRAEL DURING CALENDAR 1975 AVERAGES \$10.35 PER BARREL,  
WHICH HE DESCRIBED AS QUOTE INTERNATIONAL PRICE UNQUOTE.  
VELIOTES

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E.O. 11652: GDS

TAGS: ENNG, IS

SUBJECT: ISRAELI OIL AND ENERGY

1. DURING MAY 20 CONVERSATION WITH JOHN LICHTBLAU, DIRECTOR OF PETROLEUM INDUSTRIES RESEARCH FOUNDATION, AND EMBOFF, ISRAELI ENERGY ADVISER ZVI DINSTEN DISCUSSED RECENT DEVELOPMENTS IN ISRAELI OIL/ENERGY PICTURE. MAIN POINTS TO EMERGE FOLLOW (SEE SEPTEL ON SINAI OIL EXPLORATION).

2. EILAT-ASHKELON PIPELINE: OPENING OF SUEZ CANAL HAS NOT SERIOUSLY AFFECTED PIPELINE OPERATIONS. CURRENT CRUDE THROUGHPUT IS SIX HUNDRED THOUSAND BARRELS PER DAY (60 PERCENT OF CAPACITY), OF WHICH ONE HUNDRED FORTH THOUSAND BPD ARE FOR DOMESTIC CONSUMPTION AND REMAINDER FOR EXPORT. PIPELINE PRICES ARE SET AS PART OF ORIGIN-TO-DESTINATION PACKAGE DEAL, WITH SUPERTANKERS BRINGING CRUDE FROM IRAN TO EILAT, AND SMALLER TANKERS TAKING CRUDE FROM ASHKELON TO DESTINATION. PACKAGE PRICES VARY WITH WORLD SCALE RATINGS FOR TANKERS. ISRAEL IS ABLE TO SHIP IRANIAN OIL TO U.S. ON COMPETITIVE BASIS BECAUSE RETURNING TANKERS ARE BACKHAULING MEXICAN CRUDE FOR ISRAEL.

3. STORAGE: CURRENT PETROLEUM STORES WOULD LAST SEVEN MONTHS UNDER EMERGENCY MEASURES, THREE OR FOUR MONTHS AT CURRENT CONSUMPTION RATE. OF AMOUNTS STORED, FIFTY-FIVE PERCENT ARE REFINED PRODUCTS, THE REST CRUDE. ISRAEL HOPES TO INCREASE PERCENTAGE OF REFINED PRODUCTS TO SIXTY PERCENT OR EVEN TWO-THIRDS. ALTHOUGH ISRAEL HAS EXCESS REFINING CAPACITY, IT MUST BE ASSUMED THAT REFINERIES ARE INSECURE IN WARTIME.

4. ALTERNATE ENERGY SOURCES: BY 1979, ISRAEL PLANS TO HAVE FOUR NEW POWER STATIONS PRODUCING THREE HUNDRED FIFTY MEGAWATTS EACH. THESE WILL BE COAL-FUELED, WITH OPTION TO SWITCH TO OIL, AND WILL PROVIDE FORTH PERCENT OF DOMESTIC POWER NEEDS. (SOUTH AFRICA IS NOW QUOTING ISRAEL UNESCALATED PRICES FOR 1980 COAL SUPPLIES.) BY 1985, A 750-900 MEGAWATT NUCLEAR POWER STATION WILL FURNISH AN ADDITIONAL 25 PERCENT OF DOMESTIC NEEDS.

DUNNIGAN

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Reliable information on the destination of Iranian oil exports is generally difficult to obtain, but this is particularly the case when the destination is Israel. Iranian officials, very conscious of the possibility of needlessly antagonizing their Arab partners in OPEC, will normally not discuss oil exports to Israel.

Nevertheless, information from a variety of sources indicates that at least 75 percent of current Israeli domestic consumption of approximately 150,000 barrels per day is supplied by Iran. Moreover, the only oil that flows through the Trans-Israel Pipeline (Tipline) which runs northward from the Gulf of Aqaba to the Mediterranean port of Ashkelon, is from Iran. Tipline was constructed during the late 1960's at a cost of over \$200 million, and its current capacity is 45 million tons/year (about 850,000 barrels/day). During 1976, something on the order of 350,000 barrels per day of Iranian crude oil is thought to have been trans-shipped through Tipline for customers in Europe and beyond.

E/C:RMBash (11/17/76)

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*Handwritten signature*

1978 JAN 25 PM 1:43

# TELEGRAM

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 CHARGE TO 06901

FROM AMEMBASSY TEHRAN CLASSIFICATION CONFIDENTIAL

E.O. 11652:  
TAGS:  
SUBJECT:  
ACTION:

ACTION: SECSTATE WASHDC PRIORITY

INFO: AMEMBASSY TEL AVIV  
AMEMBASSY AMMAN  
AMEMBASSY CAIRO  
AMEMBASSY BEIRUT  
AMEMBASSY LONDON  
AMEMBASSY MOSCOW  
AMEMBASSY JIDDA

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06901

CONFIDENTIAL TEHRAN

ECON5 ✓

LIMDIS

## LIMDIS

E.O. 11652: GDS

TAGS: ENRG, US, IS

SUBJECT: STORY IN ARAB PRESS SERVICE RE IRAN'S CONSIDERING OIL EMBARGO AGAINST ISRAEL

AMB2  
DCM  
POL2  
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FOR  
CRU  
155a

1. BBC CORRESPONDENT HAS QUERIED US CONCERNING STORY APPEARING IN BEIRUT-BASED ARAB PRESS SERVICE AND ATTRIBUTED TO "SENIOR GOVERNMENT OFFICIAL IN JORDAN" TO EFFECT THAT IRAN IS SERIOUSLY CONSIDERING OIL EMBARGO AGAINST ISRAEL TO FORCE IT TO MAKE CONCESSIONS AND RESUME PEACE TALKS WITH EGYPT. STORY SAYS IRANIAN MOVE "MAY HAVE BLESSING OF THE UNITED STATES."
2. WE HAVE ADVISED BBC TO TREAT STORY WITH CAUTION, AND, ON UNATTRIBUTED BASIS, HAVE TOLD CORRESPONDENT WE HAVE NO RPT NO INDICATIONS IRAN HAS ANY SUCH PLAN. WE HAVE FURTHER SAID

DRAFTED BY: DRAFTING DATE TEL. EXT. CONTENTS AND CLASSIFICATION APPROVED BY:

AMR:WHSullivan:psw

1/25/78

AMB

CONFIDENTIAL/LIMDIS  
CLASSIFICATION

OPTIONAL FORM 10  
(Formerly FS-413)  
January 1977  
Dept. of State

50153-101

100-201

THAT REPORT OF "U.S. BLESSING" IS ENTIRELY WITHOUT FOUNDATION.

3. IN DISCUSSING REPORT WITH SENIOR NIOC OFFICIAL JANUARY 25, EMBOFF RECEIVED CURIOUSLY NONCOMMITTAL REACTION, WHICH PROBABLY REFLECTS ABSENCE OF IMPERIAL GUIDANCE, RATHER THAN ANYTHING ELSE.

4. HOWEVER, IT SHOULD BE POINTED OUT THAT SHAH, DURING VISIT OF CODEL ZABLOCKI, ANSWERED QUESTION FROM CONGRESSWOMAN MEYNER ON THIS SUBJECT. SHAH DEFTLY TURNED QUESTION ASIDE BY SAYING THAT HE WOULD HAVE TO CONSULT CLOSELY WITH USG IN ANY MATTERS WHICH MIGHT INVOLVE THE USE OF PRESSURE, SINCE HE WOULD WANT TO BE SURE THAT IRAN'S POLICY WITH RESPECT TO OIL FOR ISRAEL CONFORMED CLOSELY WITH ~~RE~~ U.S. POLICY WITH RESPECT TO ARMS FOR ISRAEL.

5. IT IS POSSIBLE THAT A GARBLED VERSION OF THIS COMMENT MAY HAVE REACHED JORDAN WHERE IT HAS BEEN REFRACTED THROUGH BEDOUIN PRISMS.

  
SULLIVAN



SECRET

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INFO RUERTV/AMEMBASSY TEL AVIV 6757  
BT  
SECRET STATE 244567

ACTION:  
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T.O. 11652: YGDS2, 3

8 gam

TAGS: PING, IS, IP

SUBJECT: BIOGRAPHIC INFORMATION ON NEW ISRAELI CHIEF  
OF MISSION IN IRAN, JOSEPH HERMELIN

REF: TEHRAN 6652

1. THE INFORMATION CONTAINED IN PARAGRAPHS 3 AND 4 MAY NOT BE RELEASED TO FOREIGN NATIONALS. (U)
2. JOSEPH HERMELIN IS A FORMER HEAD OF SHIN BETH, ISRAEL'S SECURITY SERVICE, SERVING IN THAT POST FROM 1964 TO 1974. SINCE HIS RETIREMENT FROM SHIN BETH HE HAS WORKED AS HEAD OF A SUBSIDIARY OF THE MEKOROT CONSTRUCTION AND DEVELOPMENT COMPANY. (C)
3. BORN APRIL 19, 1922 IN VIENNA, HERMELIN EMIGRATED TO PALESTINE AT 15. HE SERVED IN THE BRITISH ARMY IN WORLD WAR II, THEN JOINED THE PRE-INDEPENDENCE JEWISH UNDERGROUND MOVEMENT Paganah. HE WAS A MAJOR IN THE ISRAELI DEFENSE FORCES DURING THE 1948 ARAB-ISRAELI WAR. AFTER JOINING SHIN BETH IN 1949, HE WORKED HIS WAY UP TO DEPUTY CHIEF BY 1960. HE REMAINED IN THAT POST UNTIL HE WAS APPOINTED CHIEF IN 1964. (S//NOFORN)
4. MARRIED TWICE, HERMELIN HAS AT LEAST FOUR CHILDREN. HE HAS TRAVELED ABROAD EXTENSIVELY IN CONNECTION WITH HIS DUTIES AS CHIEF OF SHIN BETH, INCLUDING TRIPS TO THE UNITED STATES. HE IS CONSIDERED A COMPETENT, IMPRESSIVE AND MODEST MAN. HE SPEAKS ENGLISH, GERMAN, FRENCH AND ARABIC. (S//NOFORN)
5. THE DEPARTMENT WOULD APPRECIATE ANY ADDITIONAL BIOGRAPHIC INFORMATION, INCLUDING PHOTOGRAPHS, THAT BECOMES AVAILABLE ON HERMELIN DURING HIS ASSIGNMENT IN IRAN, AS WELL AS EVALUATIVE COMMENTS ON HIS PERFORMANCE.

(LOU) CHRISTOPHER  
BT

SECRET

STATE DEPARTMENT  
OFFICE OF THE ASSISTANT SECRETARY FOR  
INTELLIGENCE AFFAIRS  
ATTENTION: DIRECTOR'S OFFICE  
1600 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20520  
TELEPHONE: 202-456-7000

CLASSIFICATION: UNCLASSIFIED

DATE: 12/20/80, 12/25/80, 12/28/80 (MULTIPLE SOURCES)

CLASSIFICATION: UNCLASSIFIED

SUBJECT: (C) PALESTINIAN TERRORISM THREAT ASSESSMENT

REF: (A) STATE 78004 (B) STATE 92792

FOR PRINCIPAL OFFICERS AND ASES ONLY; CIA HQ FOR *Use* ~~DDI~~ ~~DDP~~ ~~DDO~~ ~~DDR~~ ~~DDI~~ ~~DDP~~ ~~DDO~~ ~~DDR~~

WARNING NOTICE-INTELLIGENCE SOURCES AND METHODS INVOLVED  
NOT RELEASABLE TO FOREIGN NATIONALS//NOT RELEASABLE TO  
CONTRACTORS OR CONTRACTOR/CONSULTANTS//DISSEMINATION  
AND EXTRACTION OF INFORMATION CONTROLLED BY ORIGINATOR

(C) EXECUTIVE SUMMARY. FOLLOWING A PERIOD OF OVERT PROTEST,  
OPPOSITION TO THE EGYPT-ISRAEL TREATY HAS SHIFTED TO  
TERRORISTIC TACTICS. OPERATIONS HAVE EMPHASIZED CASUALTIES  
IN TURKEY, ISRAEL, EGYPT, AND IN EUROPE. SYRIAN-  
AFFILIATED SAIGA AND FATAN HAVE BEEN MOST ACTIVE TO DATE.  
FURTHER TERRORISM SHOULD BE ANTICIPATED, ESPECIALLY IN  
EUROPE. ATTACKS AGAINST THE PUBLIC IN AIRPORTS, HOTEL  
CORRIDORS AND SUCH APPEAR LIKELY. MAIL HANDLING PRECAUTIONS  
ARE ADVISABLE IN LIGHT OF RECENT TREATY-RELATED PARCEL  
LOSS INCIDENTS. END SUMMARY. (CDS--4/24/80)

1. (C) REFTELS PROVIDES COMPILATIONS OF TREATY-RELATED  
INCIDENTS DIRECTED AT ISRAELI, EGYPTIAN, AND U.S. TARGETS  
WORLDWIDE IN CONJUNCTION WITH THE MARCH 23 SIGNING CER-  
EMONIES IN WASHINGTON. MOST OF THE ACTIVITIES RECORDED IN  
THE FIRST 100 WEEKS FOLLOWING THE SIGNING INVOLVED OVERT  
PROTESTS WHICH WERE EITHER ORCHESTRATED BY ARAB  
GOVERNMENTS OR BY ARAB COMUNITIES IN NON-ARAB CAPITALS  
(ESPECIALLY IN COMMUNIST-CONTROLLED STATES). ALL WERE  
ESSENTIALLY NON-VIOLENT AND CONTROLLED. IN THE CASE  
FOLLOWING MANY COUNTRIES AND INITIATIVES, THE OVERT  
ACTIVITIES WERE NON-VIOLENT AND THIS HAS NOT BEEN APPLICABLE  
TO HAVE BEEN ITS COURSE. (CDS--4/24/80)

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7. (C) IT WOULD BE A MISTAKE TO CONCLUDE FROM THE ALLEGING THAT THE PALESTINIANS HAVE FINALLY COORDINATED THEIR TERRORIST OPERATIONS AND HAVE REACHED A DIVISION OF LABOR. SAIGA, PFLP, FAJAN'S LEGION, AND EVEN BLACK CELL ARE CAPABLE OF INDEPENDENT OPERATIONS AGAINST LIKE TARGETS WITHOUT A PRELIMINARY ESTABLISHMENT OF SOME KIND OF PALESTINIAN HIERARCHY. IT IS UNREALISTIC TO IGNORE THE TRUTH OF THE PLO'S USE OF PUBLIC DENIALS AND TERRORIST CONFESSIONS AS A MECHANISM SEEKING TO DIVORCE THE UMBRELLA GROUP'S "GOOD NAME" FROM TERRORIST ACTS WHICH ITS MEMBER ELEMENTS PERFORM. THIRDLY, THE LACK OF ANTI-U.S. ACTIONS AND OF INDIVIDUALLY TARGETED OPERATIONS (EXCEPTING THAT AGAINST SADRUS GHALI) THUS FAR, SHOULD NOT LEAD ANYONE TO ASSUME THERE IS LESS SUPPORT TO U.S. INTERESTS AND PERSONEL IN THIS NOW APPARENTLY SUGGESTING CAMPAIGN. (GDS--4/24/75)

8. (C) LETTER AND PARCEL BOMBS HAVE EXPLODED IN FRANKFURT (DESTINED FOR ISRAEL) AND ON APRIL 19 IN GRIFFIN'S MAIN POST OFFICE. BOTH CAUSED SEVERE INJURIES, FATAL IN THE CASE OF A FEMALE EGYPTIAN CUSTOMS OFFICIAL. THE LAST MAJON LETTER BOMB CAMPAIGN WAS A LARGE-SCALE BLACK SEPTEMBER OPERATION DURING 1972 AGAINST ISRAELI OFFICIALS AND JEWISH-OWNED FIRMS. (GDS--4/24/75)

9. (J/M/FORM/INDCONTRACT/ORDOM) PALESTINIAN TERRORIST TARGETS HAVE BEEN REPORTED AGAINST U.S. BUSINESS INTERESTS IN EUROPE IN GENERAL AND AGAINST THE U.S. AMBASSADOR IN BEIRUT. THERE HAS BEEN SOME DISCUSSION AMONG ARAB

TERRORISTS OF HITTING PETROLEUM TARGETS, WHICH ALSO HAS A BLACK SEPTEMBER PRECEDENT IN THEIR STORAGE AND REFINERY FACILITY ASSAULTS OF 1971 IN GERMANY AND THE NETHERLANDS. THE MARCH 27 ATTACK AGAINST THE EGYPTIAN AMBASSADOR IN DOHA AND HIS SEVERAL HOURS SPENT AS A HOSTAGE DOES NOT APPEAR TO HAVE BEEN THE WORK OF PALESTINIAN TERRORISTS BELONGING TO A COMPETENT OPERATIONAL GROUP BUT IS LAID TO SIBERIAN IN THE BANGLADESH CAPITAL. PALESTINIAN TERRORIST INDICATIONS INVOLVING SENIOR AMERICAN OFFICIALS IN TWO SOUTH ASIAN CAPITALS HAVE ORIGINATED IN PART FROM HOST NATION CONJECTURE OR HAVE LACKED SUFFICIENT SUBSTANCE FOR ANALYSIS TO GAUGE THEIR POTENTIAL. UPGRADED SECURITY PROCEDURES AND ADDITIONAL RESOURCES HAVE BEEN APPLIED IN BOTH OF THOSE CASES IN THIS PERIOD OF HEIGHTENED CONCERN FOR SECURITY AROUND THE GLOBE. (GDS--4/19/75)

10. (C) THE DEPARTMENT REMAINS ALERT TO ANY AND ALL INTELLIGENCE POINTING TO

10. (C) THE DEPARTMENT REMAINS ALERT TO ANY AND ALL INTELLIGENCE POINTING UP POSSIBLE THREATENING SITUATIONS AND IS SUSCEPTIBLE TO ISSUE RECURRENT SECURITY ADVISORIES OF A NON-SPECIFIC NATURE. IN THE MEANTIME IT APPEARS VERY LIKELY THAT PALESTINIAN TRANS-BORDER OPERATIONS INTO BOTH ISRAEL AND SYRIA WILL CONTINUE TO BE CONDUCTED. LIFEBOATS, BOTH OF THESE NATIONS AS WELL AS THE BRITISH SHIPS ARE LIKELY TARGETS FOR ATTACK, ESPECIALLY IN EUROPE. RESULTS ON OFFICIAL FACILITIES OR PERSONNEL OFFER MORE PROBABLE TARGETS FOR OPERATIONS AGAINST THE CIVILIAN SECTOR, EXCEPTING THE AIRLINE INDUSTRY. U.S. PERSONNEL RESIDING IN OR TRAVELING IN EUROPE OR THE MIDDLE EAST SHOULD BE MINDFUL OF THE PREVIOUS

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PRELIMINARY REPORT FOR OPERATION IN EUROPEAN COUNTRIES -  
CHURCHES, SYNAGOGUES, INDISCRIMINATELY ATTACK SHOULD IN  
MAYBE, INHABIT LOCATIONS AND DRUGS, CLAIMS, HOTEL  
LOCATIONS, AND OTHER PLACES WHERE LARGE NUMBERS OF PEOPLE  
ARE ASSEMBLED. THEY HAVE ROUTINELY USED MACHINE GUNS,  
GRENADES, AND ONLY INFREQUENTLY EXPLOSIVES IN SUCH  
ATTACKS. IT ALSO IS MOST PROBABLE THAT ALL PERSONNEL  
IDENTIFIED WITH ROYAL MAILING AND NECESSARY  
PRECAUTIONS TO BE EMPLOYED WITH SUSPICIOUS MAIL OR  
DELIVERIES. MAIL HANDLING PARTS SHOULD BE  
IDENTIFIED WITH LETTER AND PARCEL BOX IDENTIFICATION  
AND HANDLING PROCEDURES. (005--0244/83) WANG

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RUQMGU/AMEMBASSY ANKARA PRIORITY 9080  
RUQVAT/AMEMBASSY ATHENS PRIORITY 2181  
RUEHAD/USINT BAGHDAD PRIORITY 0948  
RUESUZ/AMEMBASSY BRASILIA PRIORITY 7680  
RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 4479  
RUEHEG/AMEMBASSY CAIRO PRIORITY 9168  
RUESRS/AMEMBASSY CARACAS PRIORITY 6058  
RUQMOD/AMEMBASSY DOHA PRIORITY 9372  
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0869  
RUQMKW/AMEMBASSY KUWAIT PRIORITY 7023  
RUDTIC/AMEMBASSY LONDON PRIORITY 2176  
RUFHMD/AMEMBASSY MADRID PRIORITY 6145  
RUQMAN/AMEMBASSY MANAMA PRIORITY 4478  
RUEHME/AMEMBASSY MEXICO PRIORITY 1235  
RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4634  
RUEHMO/AMEMBASSY MOSCOW PRIORITY 2647  
RUQMMT/AMEMBASSY MUSCAT PRIORITY 7811  
RUQMQG/AMEMBASSY NICOSIA PRIORITY 6454  
RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7579  
RUFNPS/AMEMBASSY PARIS PRIORITY 2277  
RUDKEI/AMEMBASSY RABAT PRIORITY 1547  
RUQVHR/AMEMBASSY TEHRAN PRIORITY 2229  
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3073  
RUQMTI/AMEMBASSY TRIPOLI PRIORITY 5637  
RUDKKR/AMEMBASSY TUNIS PRIORITY 3024  
RUQVNS/AMEMBASSY SANA PRIORITY 3635  
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S E C R E T SECTION 01 OF 04 STATE 116788/01

E.O. 12065 GDS 5/8/85 (GRIFFIN, PHILIP J.)

TAGS: EG, IS, PINK

SUBJECT: INTSUM 006 - MAY 6, 1979

LONDON FOR CLASPIE  
PARIS FOR NICHOLAS MURPHY  
DOD/ISA FOR RANSON  
OTHER ADDRESSEES FOR CHIEFS OF MISSION

WARNING NOTICE SENSITIVE SOURCES AND METHODS INVOLVED  
NOT RELEASABLE TO FOREIGN NATIONALS

1. (C) SAAD HADDAD'S DECLARATION OF "FREE LEBANON" IN HIS SOUTHERN ENCLAVE, THE INTEREST OF OTHER RIGHTWING GROUPS IN PARTITION, AND ISRAEL'S STATED INTENTION TO STRIKE AT WILL AT PALESTINIAN AND OTHER TARGETS IN LEBANON HAVE SET IN MOTION A CHAIN OF EVENTS THAT IS LIKELY TO LEAD TO GREATER VIOLENCE IN LEBANON.

2. (C) SINCE HADDAD'S DECLARATION, THE CHAMOUN AND GEMAYEL CLANS SEEM TO HAVE INTENSIFIED THEIR COMPETITION FOR THE SUPPORT OF THE CHRISTIAN HARDLINERS. CAMILLE CHAMOUN'S INITIAL ENDORSEMENT OF HADDAD'S ACTION HAS BEEN UNDERLINED BY THE THREAT OF CHAMOUN'S SON DORY TO SEPARATE THE CHRISTIAN HEARTLAND FROM THE REST OF THE COUNTRY. SPEAKING TO HIS PARTY'S PUBLICATION, THE YOUNGER

CHAMOUN SAID THAT CHRISTIANS COULD NO LONGER TOLERATE "THE LAW OF THE JUNGLE" IN LEBANON. DORY CHAMOUN SAID THAT HIS PARTY WOULD PREFER TO COOPERATE WITH THE GOVERNMENT "BUT SHOULD THIS PROVE TO BE IMPOSSIBLE THEN IMPOSING OUR OWN AUTHORITY BECOMES INEVITABLE.... SHOULD THE ABSENCE OF THE LEGITIMATE AUTHORITIES CONTINUE THE DAY WILL COME WHEN WE WILL PREPARE AND PROCLAIM OUR OWN ORGANS." HE ADDED THAT NATIONAL RECONCILIATION COULD BE ACHIEVED ONLY AFTER SYRIAN TROOPS LEAVE THE COUNTRY. SUCH STATEMENTS INCREASE THE CHANCES FOR CLASHES BETWEEN THE MILITIAS ON ONE HAND, AND THE SYRIANS AND THE NASCENT LEBANESE ARMY ON THE OTHER.

3. (C) THE CONTINUING ISRAELI RAIDS ON LEBANON -- THREE ON SUNDAY AND MONDAY -- HAVE GREATLY EMBARRASSED THE LEBANESE GOVERNMENT AND THE SYRIANS. ON MAY 6, THE ISRAELIS BROKE A UNIFIL-INSTITUTED CEASEFIRE, IN EFFECT SINCE APRIL 26, BY MOUNTING AIR RAIDS ON THE NAHR AL-BARID CAMP AND ITS ENVIRONS NORTH OF TRIPOLI.

(A) EMBASSY BEIRUT REPORTS THAT, ACCORDING TO ALL LEBANESE SOURCES, THE ISRAELI PLANES STRUCK THE LEBANESE VILLAGE OF AL-MUHARRAKAH, 2 KM. FROM THE CAMP. AP REPORTS THAT OF 100 GUESTS AT A WEDDING PARTY, SIX WERE KILLED (FIVE FROM ONE FAMILY INCLUDING AN INFANT) AND ANOTHER 30 WOUNDED.

(B) A RIGHTWING LEBANESE RADIO STATION REPORTED THAT ISRAELI PLANES RAIDED A PALESTINIAN POSITION AT JAL AL-BAHR JUST NORTH OF TYRE. ACCORDING TO THE REPORT, 11 PERSONS, MOSTLY LEBANESE, WERE KILLED.

(C) ON MAY 7 THE IDF ANNOUNCED A RAID ON THE LEBANESE VILLAGE OF AL-RAYHAN 11 KM. NORTH OF THE ISRAELI BORDER VILLAGE OF METULLA.

(D) AN ISRAELI SOURCE TOLD OUR DEFENSE ATTACHE THAT THE PLANES DESTROYED PALESTINIAN GUN EMPLACEMENTS, ALTHOUGH HE ADMITTED THAT THE PALESTINIANS HAD NOT BEEN FIRING RECENTLY ON THE ISRAELI OR HADDAD'S ENCLAVES.

4. (C) ACCORDING TO UNRWA OFFICIALS, MOST OF THE  
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RUQMAT/AMEMBASSY ATHENS PRIORITY 2182  
RUEHAD/USINT BAGHDAD PRIORITY 0949  
RUESUZ/AMEMBASSY BRASILIA PRIORITY 7681  
RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 4480  
RUEHEG/AMEMBASSY CAIRO PRIORITY 9169  
RUESRS/AMEMBASSY CARACAS PRIORITY 6059  
RUQMOD/AMEMBASSY DOHA PRIORITY 9373  
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0870  
RUQMKW/AMEMBASSY KUWAIT PRIORITY 7024  
RUDTC/AMEMBASSY LONDON PRIORITY 2177  
RUFHMD/AMEMBASSY MADRID PRIORITY 8146  
RUQMAM/AMEMBASSY MANAMA PRIORITY 4479  
RUEHME/AMEMBASSY MEXICO PRIORITY 1236  
RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4635  
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0648  
RUQMMT/AMEMBASSY MUSCAT PRIORITY 7812  
RUQMQG/AMEMBASSY NICOSIA PRIORITY 6455  
RUFHOK/AMEMBASSY NOUAKHOTT PRIORITY 7580  
RUFNPS/AMEMBASSY PARIS PRIORITY 2278  
RUDKBT/AMEMBASSY RABAT PRIORITY 1548  
RUQHR/AMEMBASSY TEHRAN PRIORITY 2230  
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3074  
RUQMTI/AMEMBASSY TRIPOLI PRIORITY 8638  
RUDKXR/AMEMBASSY TUNIS PRIORITY 3025  
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PALESTINIANS RESIDING IN THE LARGE REFUGEE CAMPS AROUND TYRE IN SOUTHERN LEBANON HAVE BEEN FORCED TO GO ELSEWHERE AS THE RESULT OF THE ISRAELI BOMBARDMENT OF THE AREA. IN ONE LARGE CAMP ONLY TEN FAMILIES REMAIN WHILE IN THE OTHER TWO 5 AND 20 PERCENT REMAIN. MOST OF THOSE DISPLACED HAVE CROWDED INTO SIDON FARTHER NORTH. THEY OCCUPY SCHOOLS, WAREHOUSES AND ANY OTHER EMPTY BUILDING THEY CAN FIND. THEY HAVE BEEN JOINED BY SOME 7,000 ADDITIONAL PALESTINIANS FROM THE NABATIYAH AREA. THE PLO TRIES TO PRESSURE REFUGEES INTO RETURNING TO THEIR CAMPS AS SOON AS POSSIBLE AND THUS DISCOURAGES UNRWA FROM PROVIDING SOME EMERGENCY SERVICES TO THE NEWLY DISPLACED IN SIDON. THE PALESTINIANS ARE RELUCTANT TO RETURN; HOWEVER; THEIR CAMPS ARE REPEATEDLY SHELLED.

. (C) THE EGYPTIAN MEDIA ARE LAUNING ASSAD FOR HIS NATION AND ACCUSING HIM OF COLLUDING IN THE DESTRUCTION OF THE PALESTINIANS IN LEBANON. ASSAD, FOR HIS PART, AS LONG TRIED TO AVOID A DIRECT CLASH WITH THE ISRAELIS. HOWEVER, THE SITUATION IS EMBARRASSING TO HIM, AND PRESSURES FOR A SYRIAN RESPONSE ARE LIKELY TO MOUNT IF HE ISRAELI RAIDS CONTINUE.

. (U) ACCORDING TO PRIME MINISTER BEGIN, ISRAEL WILL CONTINUE TO STRIKE AT PALESTINIAN TARGETS IN LEBANON. IN A MAJOR SPEECH ON LEBANON AND THE PALESTINIANS TO THE KNESSET ON MAY 7, BEGIN SAID, "WE WILL STRIKE BACK AT THESE MURDERERS WHEREVER POSSIBLE, ANY PLACE, WITH ALL OUR MIGHT.... WE WILL STRIKE THEM TO DEMOLISH THEM, WE WILL SCATTER THEM AND DRIVE THEM AWAY, THESE ENEMIES OF MANKIND COMMANDED BY THE PALESTINIAN IDI AMIN, YASER RAFAT." HE ALSO CALLED ON SYRIA TO REMOVE ITS FORCES FROM LEBANON AND FOR PRESIDENT SARKIS TO MEET WITH HIM TO SIGN A PEACE TREATY, SAYING THAT ISRAEL HAD NO TERRITORIAL CLAIMS ON LEBANON. BEGIN CONTINUED TO OPPOSE SUPPORT FOR HADDAD, CALLING HIM A "LEBANESE PATRIOT."

. (C) IN OTHER DEVELOPMENTS THREATENING TO REIGNITE ARAB-FIGHTING IN LEBANON:

A) BLOODLETTING BETWEEN PHALANGISTS AND FRANJIEH'S SUPPORTERS IN NORTH LEBANON IS CAUSING FURTHER POPULATION TRANSFERS AND IS CUTTING OFF THE SHIPMENT OF FUEL FROM RIPOLI'S REFINERY TO BEIRUT. THREE FRANJIEH SUPPORTERS FROM RIPOLI WERE FOUND DEAD ALONG THE BEIRUT-TRIPOLI ROAD NEAR A STRETCH WHERE THE PHALANGISTS MAINTAIN ROADBLOCKS. FUEL TRUCK DRIVERS ARE REFUSING TO TRAVEL TO BEIRUT. A NUMBER OF PERSONS FROM THE JBAIL AREA (BYBLOS), A TRADITIONAL STRONGHOLD OF RAYMOND EDDE, HAVE FLED NORTHWARD.

(B) SYRIAN TROOPS REPORTEDLY USED HEAVY WEAPONS AGAIN ON SUNDAY IN RESPONDING TO SNIPER FIRE IN VARIOUS AREAS OF BEIRUT. THE SYRIANS, HOWEVER, CONTINUE TO SHOW INTEREST IN REDUCING THEIR PRESENCE IN THE BEIRUT AREA. THE FORTHCOMING SARKIS-ASSAD MEETING MAY CLARIFY THE ISSUE.

(C) AN ARMED PALESTINIAN WAS TAKEN BY LEBANESE SOLDIERS FROM A BUS ON SUNDAY. THE INCIDENT RESULTED IN A BRIEF BUT VIOLENT CLASH BETWEEN PALESTINIANS AND LEBANESE ARMY TROOPS IN THE BAALBEK AREA. SYRIAN FORCES REPORTEDLY INTERVENED TO STOP THE FIGHTING.

B. (U) ISRAEL: JERUSALEM WAS ONE OF THE TOPICS OF BEGIN'S MAY 7 SPEECH BEFORE THE KNESSET. EMBASSY TEL AVIV REPORTS THAT THE PRIME MINISTER SAID: "THERE IS NO NEED TO LIBERATE JERUSALEM. IT HAS ALREADY BEEN LIBERATED." BEGIN REFERRED TO AN EGYPTIAN DOCUMENT PRESENTED TO WÄLDHEIM REGARDING THE RESTORATION OF "ARAB JERUSALEM TO ARAB SOVEREIGNTY" AND SAID HE HAD INSTRUCTED AMBASSADOR BLUM TO REPLY THAT:

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RUFHRS/AMEMBASSY ALGIERS PRIORITY 2706  
RUQMGU/AMEMBASSY ANKARA PRIORITY 9282  
RUQMAT/AMEMBASSY ATHENS PRIORITY 2183  
RUEHAD/USINT BAGHDAD PRIORITY 0950  
RUESUZ/AMEMBASSY ERASILIA PRIORITY 7632  
RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 4461  
RUEHEG/AMEMBASSY CAIRO PRIORITY 9170  
RUESRS/AMEMBASSY CARACAS PRIORITY 6066  
RUQMOD/AMEMBASSY DOHA PRIORITY 9374  
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0571  
RUQMKW/AMEMBASSY KUWAIT PRIORITY 7025  
RUDTIC/AMEMBASSY LONDON PRIORITY 2178  
RUFHMD/AMEMBASSY MADRID PRIORITY 8147  
RUQKAM/AMEMBASSY MANAMA PRIORITY 4480  
RUEHME/AMEMBASSY MEXICO PRIORITY 1237  
RUQMDI/AMEMBASSY MEGADISCIO PRIORITY 4636  
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0649  
RUQMMT/AMEMBASSY MUSCAT PRIORITY 7813  
RUQMQG/AMEMBASSY NICOSIA PRIORITY 6456  
RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7581  
RUFNPS/AMEMBASSY PARIS PRIORITY 2279  
RUDKBT/AMEMBASSY RABAT PRIORITY 1549  
RUQYHR/AMEMBASSY TEHRAN PRIORITY 2231  
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3075  
RUQMTI/AMEMBASSY TRIPOLI PRIORITY 8639  
RUDKKR/AMEMBASSY TUNIS PRIORITY 3026  
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(A) JERUSALEM IS AND WILL REMAIN FOREVER ONE  
INDIVISIBLE CITY, THE ETERNAL CAPITAL OF ISRAEL.

(B) JEWS, CHRISTIANS AND MUSLIMS WILL BE ASSURED FREE  
ACCESS TO THEIR HOLY PLACES UNDER ISRAELI JURISDICTION;  
ACCESS TO THEIR HOLY PLACES UNDER ISRAELI JURISDICTION;  
SUCH ACCESS HAVING BEEN DENIED TO JEWS UNDER 19 YEARS OF  
JORDANIAN "OCCUPATION."

9. (C) ON MAY 7 THE ISRAELI MEDIA CONCENTRATED ON  
AUTONOMY AND RELATED ISSUES. TWO PAPERS REPORT THAT  
AMBASSADOR STRAUSS' DECISION TO ACCELERATE HIS SCHEDULE  
IS BECAUSE PRESIDENT CARTER WANTS TO EASE HOSTILE ARAB  
REACTION TO THE TREATY. SEVERAL PAPERS REPORT AGREEMENT  
ON THE COMPOSITION OF THE STRAUSS DELEGATION AFTER AN  
ON THE COMPOSITION OF THE STRAUSS DELEGATION AFTER AN  
EARLIER DISPUTE WITHIN THE ADMINISTRATION. THE JERUSALEM  
POST REPORTS REGIN'S INSISTENCE ON PUBLICLY REITERATING

THE DETAILS OF HIS CONCEPT OF AUTONOMY...OUT OF CONSIDERATIONS OF A DOMESTIC POLITICAL NATURE."

10. (U) THE ISRAELI PAPER YEDIOT AHARANOT PUBLISHED THE NAMES OF 65 ARAB GUERRILLAS RELEASED TWO MONTHS AGO IN AN EXCHANGE FOR AN ISRAELI SOLDIER. THE ISRAELI PRESS SPECULATED THAT THE PUBLICATION OF THE NAMES WOULD LIKELY CAUSE TROUBLE FOR THE BEGIN GOVERNMENT BECAUSE OF THE INVOLVEMENT OF SOME OF THE GUERRILLAS IN CERTAIN INCIDENTS SUCH AS HIJACKINGS.

11. (U) IN THE MOST RECENT GIVE AND TAKE ON WHAT AUTONOMY REALLY MEANS, AN ISRAELI GOVERNMENT SPOKESMAN SAID THERE IS NO BASIS TO THE EGYPTIAN STATEMENT THAT THE PEACE AGREEMENT REQUIRES TOTAL ISRAELI WITHDRAWAL FROM OCCUPIED ARAB TERRITORIES. "FURTHERMORE," THE SPOKESMAN SAID, "THE ACCORDS WITH EGYPT PROVIDED THAT THE ISRAELI DEFENSE FORCES WILL REMAIN AT AGREED POINTS AFTER PULLING BACK FROM THEIR PRESENT POSITIONS IN SAMARIA, JUDEA AND GAZA."

12. (C) EGYPT-ARAB STATES: AN AMMAN NEWSPAPER REPORTED ON MAY 7 THAT SAUDI ARABIA AND KUWAIT HAVE NOTIFIED THE EGYPTIAN GOVERNMENT OF THEIR DESIRE TO WITHDRAW CREDITS TOTALLING DOLS 2 BILLION FROM EGYPT'S CENTRAL BANK. WE HAVE NO CONFIRMATION OF THIS REPORT. IF IT IS TRUE IT POSES A SERIOUS DILEMMA TO SADAT. LOSS OF THE MONEY WOULD PRESENT AN IMMEDIATE FINANCIAL STRAIN ON EGYPT. IF EGYPT WERE TO FREEZE THE ACCOUNTS AND HOLD THE MONEY, IT WOULD DAMAGE ITS REPUTATION AMONG POTENTIAL INVESTORS. FURTHERMORE, SAUDI ARABIA AND KUWAIT MIGHT BE PROMPTED TO USE THEIR CONSIDERABLE CLOUT IN THE INTERNATIONAL FINANCIAL COMMUNITY TO DISSUADE FINANCIAL INSTITUTIONS FROM DEALING WITH EGYPT UNTIL THE MONEY IS RELEASED. MEANWHILE, AFP REPORTED FROM BEIRUT THAT SAUDI ARABIA, QATAR AND THE UNITED ARAB EMIRATES HAVE DECIDED TO DISSOLVE THE ARAB INDUSTRIES ORGANIZATION. THE REPORT IS SO FAR UNCONFIRMED BUT IF TRUE, IT REPRESENTS ANOTHER ECONOMIC LOSS FOR EGYPT BECAUSE THE ORGANIZATION'S ARMS MANUFACTURING ACTIVITIES WERE TO HAVE BEEN BASED THERE.

13. (C/NF) A US PETROLEUM EXECUTIVE REPORTS THAT ON MAY 2 THE GOVERNMENT OF KUWAIT NOTIFIED AN OIL COMPANY THAT IT WOULD NOT BE ALLOWED TO SHIP KUWAITI CRUDE TO EGYPT. THE KUWAITIS SAID VIOLATION OF THIS PROHIBITION COULD COST THE COMPANY ITS TOTAL SUPPLY OF KUWAITI CRUDE. KUWAIT DID, HOWEVER, ALLOW THE COMPANY TO MOVE CRUDE THROUGH THE SURED PIPELINE OR THROUGH THE SUEZ CANAL. THE COMPANY HAS ALSO RECEIVED UNOFFICIAL NOTIFICATION FROM IRAQ BANNING THE SHIPMENT OF CRUDE TO EGYPT OR ET

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RUQMGU/AMEMBASSY ANKARA PRIORITY 9083  
RUQMAT/AMEMBASSY ATHENS PRIORITY 2164  
RUEHAD/USINT BAGHDAD PRIORITY 0951  
RUESUZ/AMEMBASSY BRASILIA PRIORITY 7683  
RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 4402  
RUEHEG/AMEMBASSY CAIRO PRIORITY 9171  
RUESRS/AMEMBASSY CARACAS PRIORITY 6261  
RUQYOL/AMEMBASSY DOHA PRIORITY 9375  
RUEHJK/AMCONSUL JERUSALEM PRIORITY 0872  
RUQMKW/AMEMBASSY KUWAIT PRIORITY 7026  
RUDTC/AMEMBASSY LONDON PRIORITY 2179  
RUFHMD/AMEMBASSY MADRID PRIORITY 8148  
RUQMAN/AMEMBASSY MANAMA PRIORITY 4481  
RUEHME/AMEMBASSY MEXICO PRIORITY 1238  
RUQNDI/AMEMBASSY MOGADISCIO PRIORITY 4637  
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0650  
RUQMMT/AMEMBASSY MUSCAT PRIORITY 7814  
RUQMQG/AMEMBASSY NICOSIA PRIORITY 6457  
RUFHOK/AMEMBASSY NOUAKHOTT PRIORITY 7562  
RUFNPS/AMEMBASSY PARIS PRIORITY 2280  
RUDKBT/AMEMBASSY RABAT PRIORITY 1552  
RUQMHK/AMEMBASSY TEHRAN PRIORITY 2232  
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3076  
RUQNTI/AMEMBASSY TRIPOLI PRIORITY 8640  
RUDKKR/AMEMBASSY TUNIS PRIORITY 3027  
RUQMNS/AMEMBASSY SANA PRIORITY 3638  
RUEHDI/USMISSION USUN NEW YORK PRIORITY 0305  
RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2105

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S E C R E T FINAL SECTION OF 04 STATE 116738/04

THROUGH THE SUMED PIPELINE AND THE SUEZ CANAL. THE BAN ON CRUDE OIL SHIPMENTS TO EGYPT IS HARMLESS SINCE EGYPT IS ITSELF A NET EXPORTER OF CRUDE. IT DOES IMPORT SOME REFINED PRODUCTS BUT AN EGYPTIAN SPOKESMAN SAID ON MAY 6 THAT MOST OF THESE COME FROM EUROPE. SHOULD ARAB STATES BAN THEIR PRODUCTS FROM THE SUMED PIPELINE OR THE CANAL, HOWEVER, EGYPT WOULD BE HURT BY THE LOSS OF REVENUES.

14. (U) EMBASSY PARIS REPORTS THAT THE ARAB LEAGUE HAS SENT A LETTER TO THE PRESIDENTS OF UNESCO'S REGIONAL GROUPS ASKING THAT THE REGIONAL INSTITUTIONS OF THE UN AND ITS SPECIALIZED AGENCIES WHICH CONCERN THE ARAB STATES BE WITHDRAWN FROM CAIRO. THE LETTER REFERS TO THE BAGHDAD RESOLUTIONS WHICH CALL FOR SUCH A WITHDRAWAL.

15. (C) IRAQ: A SECOND COMMUNIST MINISTER HAS BEEN FIRED FROM THE IRAQI CABINET. THE TRANSPORT MINISTER WAS FIRED OVER THE WEEKEND, CLOSELY FOLLOWING THE FIRING OF THE MINISTER OF STATE LAST WEEK. THE TRANSPORT MINISTER WAS THE LAST COMMUNIST MINISTER IN THE GOVERNMENT. USINT BAGHDAD REPORTS THAT HE WAS A DURABLE SYMBOLE OF THE FORMER BATHIST/COMMUNIST ALLIANCE AND THE CLOSE TIES BETWEEN IRAQ AND THE USSR. USINT BELIEVES HIS FIRING CALLS INTO QUESTION THE CLAIMS OF REGIME SPOKESMAN THAT THE CURRENT FEUD WITH LOCAL COMMUNISTS WILL NOT HURT TIES BETWEEN MOSCOW AND BAGHDAD.

16. (C) YEMEN ARAB REPUBLIC: ACCORDING TO AN ADVISOR TO YAR PRESIDENT SALIH, THE YAR IS CONSIDERING THE COMMERCIAL PURCHASE OF TANKS FROM POLAND. THE ADVISOR SAID THE YAR ARMY COULD QUICKLY INTEGRATE THE SOVIET-MADE TANKS INTO ITS UNITS RATHER THAN WAITING TO LEARN HOW TO USE THE NEWLY ARRIVED US EQUIPMENT. THE YAR PURCHASED 50 TANKS FROM POLAND IN LATE 1976. THE EMBASSY COMMENTS THAT A NEW PURCHASE WILL FURTHER UNSETTLE THE SAUDIS AND RAISE SUSPICIONS ABOUT SALIH'S ULTIMATE AIMS. THE ADDITION OF THESE TANKS WOULD ALSO PROLONG THE STAY OF SOVIET ADVISORS IN THE YAR, IF INDEED SALIH EVER INTENDS TO PHASE THEM OUT.

17. (C) USSR-OMAN: THE SOVIET PRESS HAD HINTED IN RECENT WEEKS THAT THE DHOFA REBELLION IN OMAN MAY BE REKINDLED. SINCE JANUARY, SOVIET COMMENTARY HAS POINTED TO OMAN AS A POTENTIAL HOT-SPOT IN THE MIDDLE EAST. ON APRIL 29, A POPULAR FRONT FOR THE LIBERATION OF OMAN DELEGATION LEFT MOSCOW AFTER A FIVE DAY VISIT ON INVITATION OF THE SOVIET AFRO-ASIAN SOLIDARITY COMMITTEE. ALTHOUGH SULTAN QABUS OF OMAN HAS LONG BEEN THE TARGET OF SOVIET CRITICISM, HIS STAND ON THE EGYPTIAN-ISRAELI TREATY AND HIS SUPPORT FOR EGYPT IS PROBABLY BEHIND THE RECENT SOVIET PROPAGANDA FLURRY. VANCE

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SECRET SECTION 01 OF 03 STATE 165654/01

E.O. 12065 GDS 6/26/85 (GRIFFIN, PHILIP J.)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 840 - JUNE 26, 1979

LONDON FOR GLASPIE  
PARIS FOR NICHOLAS MURPHY  
DOD/ISA FOR RANSOM  
OTHER ADDRESSEES FOR CHIEFS OF MISSION

WARNING NOTICE SENSITIVE SOURCES AND METHODS INVOLVED  
NOT RELEASABLE TO FOREIGN NATIONALS

1. (S) A RECENT CIA ANALYSIS CONCLUDES THAT ISRAEL'S SOARING INFLATION RATE, RUNNING IN EXCESS OF 70 PERCENT ANNUALLY, IS THE MOST SERIOUS DOMESTIC ISSUE FACING PRIME MINISTER BEGIN. DEBATES OVER ECONOMIC STRATEGY HAVE BECOME A MAJOR SOURCE OF DISSENSION WITHIN BEGIN'S DOMINANT LIKUD BLOC; THE LIBERAL WING, WHICH HAS CHARGE OF MOST ECONOMIC POSTS, IS PITTED AGAINST BEGIN'S HERET CONTINGENT AND THE SMALL LAAM PARTY. BEGIN HAS FELT COMPELLED TO SHORE UP THE POSITION OF FINANCE MINISTER AND LIBERAL LEADER EHRLICH, THE MAIN TARGET OF PUBLIC CRITICISM, TO ASSURE LIBERAL BACKING FOR A HARDLINE POSITION ON PEACE NEGOTIATIONS.
  2. (C) ISRAEL'S INFLATION RATE, HIGH SINCE THE 1973 ARAB-ISRAELI WAR, HAS WORSENEDED DRAMATICALLY IN RECENT MONTHS AND SEEMS HEADED TOWARD TRIPLE DIGIT RATES. THE CONSUMER PRICE INDEX INCREASED NEARLY 9 PERCENT IN APRIL-- THE LARGEST MONTHLY RISE SINCE 1952--AND HAS RISEN MORE THAN 29 PERCENT SO FAR THIS YEAR.
- (PARAGRAPHS 3-11 SECRET)
3. THE ISRAELIS FEAR THAT THE CURRENT RATE OF INFLATION WILL OUTSTRIP THE CUSHIONING EFFECT OF COST-OF-LIVING INCREASES AND VARIOUS TYPES OF GOVERNMENT SUBSIDIES. MANY, MOREOVER, ARE AWARE THAT ANY ECONOMIC DIVIDEND RESULTING FROM THE PEACE TREATY WITH EGYPT WILL BE WATERED DOWN IN THE SHORT RUN BY STILL GREATER INFLATIONARY PRESSURES CERTAIN TO BE GENERATED BY THE ISRAELI MILITARY WITHDRAWAL FROM THE SINAI TO THE NEGEV AND BY THE RELOCATION AND COMPENSATION OF ISRAEL'S SEVERAL THOUSAND SINAI SETTLERS.

4. THE LATEST INFLATION FIGURES ALARMED THE PUBLIC AND PROVOKED A RESURGENCE OF CALLS FOR EHRLICH'S RESIGNATION. HIS POPULARITY HAS PLUMMETED TO UNDER 10 PERCENT IN MANY PUBLIC OPINION POLLS THIS YEAR. THE PUBLIC'S DISSATISFACTION WITH EHRLICH COMPOUNDS LONGSTANDING DIFFERENCES BETWEEN HIS LIBERALS AND BEGIN'S HERUT SUPPORTERS. THESE DIFFERENCES STEM BASICALLY FROM THE DETERMINATION OF BOTH PARTIES TO SAFEGUARD THE ECONOMIC INTERESTS OF THEIR QUITE DIFFERENT VOTER CONSTITUENCIES.

5. HERUT ECONOMIC ACTIVISTS TAKE A RATHER NONDOCTRINAIRE, POPULIST APPROACH TO THE ECONOMY. THEY ADVOCATE SPECIAL MEASURES TO HELP DISADVANTAGED, WORKING-CLASS SEPHARDIC ISRAELIS, HERUT'S SINGLE LARGEST CONSTITUENCY. HERUT MEMBERS HAVE REPEATEDLY FAULTED EHRLICH FOR FAILING TO SECURE GREATER WAGE INCREASES AND IMPROVEMENTS IN WORKING CONDITIONS FOR THE SEPHARDIC COMMUNITY. EHRLICH'S HERUT CRITICS WANT THE PRIME MINISTER TO TAKE A GREATER PERSONAL INTEREST IN ECONOMIC MATTERS AND TO CONSTRAIN EHRLICH'S DECISIONMAKING PREROGATIVES.

6. EHRLICH'S LOSS OF VOTER CONFIDENCE AND THE SNIPING AT HIS LEADERSHIP WITHIN LIKUD HAVE SPARKED A CHALLENGE, LED BY ENERGY AND COMMUNICATIONS MINISTER MODAI, FOR CONTROL OF HIS LIBERAL PARTY. EHRLICH'S LIBERAL OPPONENTS CLAIM THAT HE HAS FAILED TO PROTECT ADEQUATELY THE ECONOMIC INTEREST OF THE PARTY'S MIDDLE-CLASS SUPPORTERS.

7. MANY IN THE SMALL, CONSERVATIVE LAAM CONTINGENT OF LIKUD, LFD BY FORMER INDUSTRY MINISTER HURVITZ, ALSO OPPOSE EHRLICH'S POLICIES. THEY DEMAND A SMALLER AND BETTER-MANAGED BUDGET AND A CLEARER BREAK WITH THE SOCIALIST ECONOMIC PRACTICES OF LABOR-LED GOVERNMENTS OF THE PAST.

8. DIFFERENCES OVER ECONOMIC ISSUES HAVE NOT REACHED THE POINT OF THREATENING THE STABILITY OF THE HERUT-LIBERAL PARTNERSHIP. LEADERS OF BOTH PARTIES REALIZE THEY NEED EACH OTHER TO HOLD POWER; THE LIBERALS HAVE NO REALISTIC ALTERNATIVE AT PRESENT TO THEIR ALLIANCE WITH HERUT.

9. BARRING A SERIOUS CRISIS OF PUBLIC CONFIDENCE THAT THREATENED TO BRING DOWN THE GOVERNMENT, THE OTHER COALITION PARTNERS PROBABLY WILL CONTINUE TO FOLLOW LIKUD'S LEAD ON THE ECONOMY. THE NATIONAL RELIGIOUS PARTY, BEGIN'S MAJOR COALITION ALLY, IS PREOCCUPIED WITH ASSURING CONTINUED ISRAELI CONTROL OVER THE "BIBLICAL LAND" OF THE WEST BANK. THE SMALL, ORTHODOX AGUDANT ISRAEL PARTY IS CONCERNED MAINLY WITH ENSURING THE ENFORCEMENT OF JEWISH RELIGIOUS LAWS AND CUSTOMS.

10. THE DEMOCRATIC MOVEMENT, WHICH HOLDS THE THIRD

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SECRET SECTION 02 OF 03 STATE 165654/02

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LARGEST NUMBER OF PARLIAMENTARY SEATS IN THE COALITION AFTER LIKUD AND THE NATIONAL RELIGIOUS PARTY, TAKES A MAJOR INTEREST IN ECONOMIC AND SOCIAL ISSUES. THE DEMOCRATIC MOVEMENT'S ERODED VOTER POPULARITY, HOWEVER, HAS MADE IT DEEPLY DEPENDENT ON BEGIN'S SUPPORT AND LEFT IT LITTLE LEEWAY TO STAKE OUT DIFFERENT POSITIONS.

11. NOW THAT TREATY NEGOTIATIONS WITH EGYPT HAVE BEEN SUCCESSFULLY CONCLUDED, BEGIN MAY BEGIN TO TAKE HIS DISTANCE FROM EHRLICH IN AN ATTEMPT TO CUT LIKUD'S POLITICAL LOSSES BEFORE PREPARING FOR THE NEXT NATIONAL ELECTION IN NOVEMBER 1981. SUCH ACTION WOULD BE DIFFICULT FOR BEGIN, GIVEN THE IMPORTANCE HE ATTACHES TO PERSONAL LOYALTIES AND HIS DESIRE TO RETAIN EHRLICH'S SUPPORT IN THE DIFFICULT WEST BANK-GAZA AUTONOMY NEGOTIATIONS WITH EGYPT - BEGIN PROBABLY WOULD PREFER TO PUT OFF A DECISION FOR AS LONG AS POSSIBLE OR ENCOURAGE EHRLICH TO SHIFT PORTFOLIOS RATHER THAN DUMP HIM ALTOGETHER.

12. (C) THE PRIME MINISTER RECOGNIZES THAT INFLATION COULD UNDERMINE WHATEVER DOMESTIC ADVANTAGES HE HAS GAINED FROM HIS PEACE NEGOTIATION TRIUMPHS. CONSEQUENTLY, HE HAS TAKEN A GREATER INTEREST IN GAINING CABINET APPROVAL FOR NEW ECONOMIC MEASURES AND IN DEMONSTRATING HIS CONCERN FOR THE PLIGHT OF THE SEPHARDIC ISRAELIS. BEGIN MAY HAVE INTENDED HIS RECENT ANNOUNCEMENT OF HIS INTENTION TO SEEK REELECTION IN PART TO REASSURE LIKUD ACTIVISTS AND VOTERS THAT HE WILL TAKE THE KIND OF ACTION ON INFLATION-RELATED PROBLEMS THAT IS NECESSARY TO WIN AT THE POLLS IN 1981.

13. (U) EHRLICH, MEANWHILE, HAS FELT PRESSED BY AN UPSURGE IN CABINET-LEVEL CONCERN TO STRENGTHEN THE FIVE-YEAR ECONOMIC PLAN HE PRESENTED IN MID-MAY. HE NOW RECOMMENDS ADDITIONAL BUDGET CUTBACKS, SELECTIVE GOVERNMENT EMPLOYEE REDUCTIONS, AN END TO SOME GOVERNMENT SUBSIDIES, AND BETTER TAX COLLECTION. HIS PLAN, IF ADOPTED IN FULL, WOULD REPRESENT A CAUTIOUS FIRST STEP BUT IS INSUFFICIENT TO MAKE MORE THAN A SMALL DENT IN THE INFLATION RATE. THE GOVERNMENT, HOWEVER, WHILE DEMONSTRATING MORE INTEREST IN ECONOMIC ISSUES, THUS FAR HAS DONE LITTLE IN PRACTICE TO FOLLOW UP ON EHRLICH'S PROPOSALS.

14. (U) BEGIN POPULARITY: AN ISRAELI POLL PUBLISHED IN HAARETZ ON JUNE 25 INDICATED THAT BEGIN'S POPULARITY HAS DROPPED TO ITS LOWEST LEVEL SINCE HIS GOVERNMENT CAME TO POWER TWO YEARS AGO. ONLY 40.6 PERCENT OF THE POPULATION WAS SATISFIED WITH THE WAY HE WAS LEADING THE COUNTRY, DOWN FROM 54 PERCENT A YEAR AGO.

15. (U) SETTLEMENTS: MAARIV REPORTED JUNE 24 THAT THE JEWISH AGENCY SETTLEMENT DEPARTMENT IS PREPARING TO ESTABLISH 19 NEW SETTLEMENTS IN THE WEST BANK IN THE COURSE OF THE NEXT YEAR. THE ARTICLE STATES THAT A PLAN FOR THE NEW SETTLEMENTS HAS BEEN PREPARED IN COORDINATION WITH THE MINISTRY OF CONSTRUCTION AND HOUSING. ACCORDING TO THE PLAN FIVE SETTLEMENTS ARE EXPECTED TO BE ESTABLISHED THIS YEAR AND ANOTHER FOURTEEN NEXT YEAR. "SETTLEMENT ELEMENTS" REPORT THAT EVEN IF A QUARTER OF THIS SETTLEMENT PROGRAM IS PUT INTO EFFECT DURING THE NEXT FISCAL YEAR, IT WILL BE SUFFICIENT TO GIVE SIGNIFICANT FOUNDATIONS TO THE ISRAELI PRESENCE IN THE WEST BANK.

16. (U) AUTONOMY TALKS: MAARIV'S POLITICAL CORRESPONDENT ON JUNE 25 CLAIMED THAT AMBASSADOR STRAUSS WOULD BE ARRIVING IN ISRAEL WITH A VERY REAL "DOWRY" AFTER FOILING STATE DEPARTMENT ATTEMPTS TO APPLY SANCTIONS AGAINST ISRAEL BECAUSE OF THE ELON MOREH SETTLEMENT. ANOTHER MAARIV CORRESPONDENT PREDICTS THAT THE SETTLEMENTS MAY BECOME A CENTRAL ISSUE AT A MEETING ON THURSDAY OF 40 MEMBERS OF THE PRESIDENTS' CONFERENCE OF MAJOR JEWISH ORGANIZATIONS. BEGIN'S OFFICE IS REPORTEDLY EXERTING PRESSURE ON THE ORGANIZATION'S PRESIDENT THEODORE MANN TO COME OUT WITH ANOTHER PRO-SETTLEMENT STATEMENT PRIOR TO THE MEETING. YEDIGI'S POLITICAL CORRESPONDENT REPORTS THAT PRIME MINISTER BEGIN PROTESTED JUNE 24 NATIONAL SECURITY ADVISOR BRZEZINSKI'S "ANTI-SETTLEMENT" REMARKS MADE TO A GROUP OF US JEWISH LEADERS LAST WEEK.

17. (U) REUTER REPORTS THAT AN ISRAELI GOVERNMENT OFFICIAL, COMMENTING ON THE AUTONOMY TALKS, HAS SUGGESTED THAT NO SIGNIFICANT BREAKTHROUGH WOULD OCCUR UNTIL BEGIN AND SADAT MEET IN ALEXANDRIA IN JULY.

18. (C/NF) ISRAEL-EGYPT: THE ISRAELI AIRCRAFT INDUSTRY (IAI) IS DEVELOPING A PROPOSAL TO HELP EGYPT MAINTAIN ITS US-SUPPLIED AIRCRAFT, ACCORDING TO A DIA SOURCE. IAI BELIEVES THAT THE PRESENT SITUATION IN THE MIDDLE EAST IS CONDUCTIVE TO CLOSE EGYPTIAN-ISRAELI MILITARY AND ECONOMIC COOPERATION.

19. (LOU) EGYPT-SANCTIONS: EMBASSY CAIRO REPORTS THAT THE OPERATIONS MANAGER OF THE SUMED PIPELINE HAS SEEN NO INDICATION FROM THE GULF COUNTRIES THAT THE PIPELINE WOULD BE BOYCOTTED, PARTICULARLY SINCE KUWAIT, SAUDI ARABIA, QATAR, AND THE UAE HOLD SHARES IN IT. SUMED CONTINUES TO OPERATE AT FULL CAPACITY, AND CONSTRUCTION IS PROCEEDING ON A PARALLEL PIPELINE WHICH WILL DOUBLE

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S E C R E T FINAL SECTION OF 03 STATE 165654/03

THE PRESENT CAPACITY.

20. (C) EGYPT-IMF: EMBASSY CAIRO REPORTS THAT EGYPTIAN LEADERS CONTINUE TO BELIEVE THEY HAVE DONE ALL THAT IS POLITICALLY FEASIBLE IN ADOPTING IMF SUGGESTED ECONOMIC REFORMS. THE FUND, MEANWHILE, CONTINUES TO POINT TO INCREASED PROBLEMS WHICH WILL BE ENGENDERED BY FURTHER DELAY IN IMPLEMENTING REFORMS. AN IMF OFFICIAL IN CAIRO IS PESSIMISTIC ABOUT THE LIKELIHOOD THAT A NEW LETTER OF INTENT BETWEEN EGYPT AND THE IMF CAN BE ACCEPTED PRIOR TO A FALL WORLD BANK MEETING.

21. (U) SAUDI ARABIA-OPEC: REUTER QUOTES UNDERSECRETARY OF THE SAUDI OIL MINISTRY AL-TURKI AS CHARACTERIZING THE PROPOSAL TO RAISE OIL PRICES TO DOLS 20 PER BARREL AS "RIDICULOUS." AL-TURKI SAID THAT SAUDI ARABIA WANTED TO REESTABLISH UNITY IN OPEC BUT NOT AT SUCH A HIGH PRICE. HE REFUSED TO COMMENT ON WHETHER SAUDI ARABIA WOULD ACCEPT A PRICE OF DOLS 18.50 A BARREL, SAYING THAT HE DID NOT WISH TO DISCUSS A PRECISE FIGURE. CHRISTOPHER

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# National Basic Intelligence Factbook

July 1979

*Supersedes the January 1979  
edition, copies of which should  
be destroyed.*

The Factbook, a compilation of basic data on political entities worldwide, is produced semiannually by the Office of Geographic and Cartographic Research with contributions provided by various components of the Central Intelligence Agency, the Defense Intelligence Agency, and the Department of State. Comments, suggestions, and requests for additional copies may be addressed to:

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Washington, D.C. 20505

Unless otherwise indicated,  
individual entries are Unclassified.

Secret

GC BIF 79-002  
July 1979

## ISRAEL

SECRET



(See map on p. 7)

## PEOPLE

Population: 3,663,000, excluding East Jerusalem and the other occupied territories (July 1979); average annual growth rate 2.1% (7-77 to 7-78)

Nationality: noun—Israeli(s), adjective—Israel

Ethnic divisions: 85% Jews, 15% non-Jews (mostly Arabs)

Religion: 85% Judaism, 11% Islam, 4% Christian and other

Language: Hebrew official, Arabic used officially for Arab minority; English most commonly used foreign language

Literacy: 88% Jews, 48% Arabs

Labor force: 1,252,000, 6.1% agriculture, forestry and fishing, 23.8% industry, mining, and manufacturing, 1.1% electricity and water, 6.6% construction and public works, 11.9% commerce, 6.9% transport, storage, and communications, 7.3% finance and business, 29.7% public services, 6.6% personal and other services (1978)

Organized labor: 90% of labor force

## GOVERNMENT

Legal name: State of Israel

Type: republic

Capital: Jerusalem, not recognized by U.S., which maintains Embassy in Tel Aviv

Political subdivisions: 6 administrative districts

Legal system: mixture of English common law and, in personal area, Jewish, Christian and Muslim legal systems, commercial matters, regulated substantially by codes adopted since 1948, no formal constitution, some of the functions of a constitution are filled by the Declaration of Establishment (1948), the basic laws of the Knesset (legislature) relating to the Knesset, Israeli lands, the president, the government and the Israel citizenship law, no judicial review of legislative acts, legal education at Hebrew University in Jerusalem, accepts compulsory ICJ jurisdiction, with reservations

National holiday: Independence Day, 11 May

## ISRAEL

NOTE: The Arab territories occupied since the 1967 war are not included in the data below unless so indicated

## LAND

20,720 km<sup>2</sup> (excluding about 56,183 km<sup>2</sup> of occupied territory in Jordan, Egypt, and Syria as of June 1979); 20% cultivated, 40% pastureland and meadows, 4% forested, 4% desert, waste, or urban, 3% inland water, 29% unsurveyed (mostly desert)

Land boundaries: 1,036 km (prior to 1967 war), including occupied areas, approximately 1,050 km (1977)

## WATER

Limits of territorial waters (claimed): 6 nm

Coastline: 273 km (prior to 1967 war), including occupied areas, approximately 848 km (1977)

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SECRET

**Branches:** President Yitzhak Navon has largely ceremonial functions, executive power vested in cabinet, unicameral parliament (Knesset) of 120 members elected under a system of proportional representation, legislation provides fundamental laws in absence of a written constitution, 2 distinct court systems (secular and religious)

**Government leader:** Prime Minister Menachem Begin  
**Suffrage:** universal over age 18

**Elections:** held every 4 years unless required by dissolution of Knesset, last election held in May 1977

**Principal political parties and leaders:** Herut, Prime Minister Menachem Begin, Defense Minister Ezer Weizman, Liberal Party, Finance Minister Simcha Ehrlich, La'am, Yigal Hurvitz (Likud is a coalition formed of Herut, Liberals and La'am), National Religious Party, Joseph Burg, Ze'ulun Hammer, Democratic Movement, Yigal Yadin, Shmuel Tamir, Israel Labor Party, Shimon Peres, Yitzhak Rabin, Yigal Alon, SHELLI, Arieh Ehav

**Voting strength:** Likud 45 seats, National Religious Party 12 seats, Orthodox Agudat parties 5 seats, Samuel Flatto-Sharon 1 seat, Moshe Dayan 1 seat, Labor Party-MAPAM-Arab List Alignment 32 seats, Democratic Movement 7 seats, Shai 7 seats, Ya'ad 1 seat (recently organized by Assaf Yaguri as a one-man Knesset faction), Independent Liberal Party 1 seat, Citizens Rights Movement 1 seat, RAKAH 5 seats, SHELLI 2 seats

**Communists:** RAKAH (predominantly Arab but with Jews in its leadership) has some 1,500 members, the Jewish Communist Party, MAKI, is now part of Moked, which is a far-left Zionist party

**Other political or pressure groups:** right-wing Jewish Defense League led by Rabbi Meir Kahane; Black Panthers, a loosely organized youth group seeking more benefits for oriental Jews; Gush Emunim, Jewish religious zealots pushing for freedom for Jews to settle anywhere on the West Bank

**Member of:** FAO, GATT, IAEA, IBRD, ICAC, ICAO, IDA, IFC, ILO, IMCO, IMF, IOOC, IPU, ITU, IWC—International Wheat Council, OAS (observer), U.N., UNESCO, UPU, WHO, WIPO, WMO, WSC, WTO

#### ECONOMY

**GNP:** \$12.7 billion (1978, in 1978 prices), \$3,430 per capita, 1978 growth of real GNP 5.2%

**Agriculture:** main products—citrus and other fruits, vegetables, beef and dairy products, poultry products

**Major industries:** food processing, diamond cutting and polishing, textiles and clothing, chemicals, metal products, transport equipment, electrical equipment, miscellaneous machinery, rubber and plastic products, polish mining

**Electric power:** 2,600,000 kW capacity (1978), 13.5 billion kWh produced (1978), 3,700 kWh per capita

**Exports:** \$4.2 billion (f.o.b. 1978), major items—polished diamonds, citrus and other fruits, textiles and clothing, processed foods, fertilizer and chemical products, tourism is leading foreign exchange earner

**Imports:** \$7.1 billion (f.o.b. 1978), major items—military equipment, rough diamonds, chemicals, machinery, iron and steel, cereals, textiles, vehicles, ships, and aircraft

**Major trade partners:** exports—EC, U.S., U.K., Japan, Hong Kong, Switzerland, imports—EC, U.S., U.K., Switzerland, Japan

**Aid:** economic—(1970-76) U.S. \$1,818.7 million, Western countries, \$562.9 million, military—U.S. \$5,664.0 million (C)

**Budget:** FY beginning 1 April 1979—\$13 billion (converted at 22 Israeli pounds=US\$1)

**Monetary conversion rate:** the Israeli pound was allowed to float on 31 October 1977 and as of mid-April 1979 it was roughly 22.0 Israeli pounds=US\$1

**Fiscal year:** 1 April-31 March

#### COMMUNICATIONS

**Railroads:** 767 km standard gauge (1,435 m)

**Highways:** 4,459 km paved, 7 km gravel-crushed stone, remainder unknown

**Pipelines:** crude oil, 708 km, refined products, 290 km, natural gas, 89 km

**Ports:** 3 major (Haifa, Ashdod, Elat), 5 minor

**Merchant marine:** 39 ships (1,000 GRT or over) totaling 411,909 GRT, 558,494 DWT, includes 12 cargo, 12 container, 4 roll-on/roll-off cargo, 11 bulk (C)

**Airfields:** 56 total, 46 usable, 21 with permanent-surface runways, 5 with runways 2,440-3,659 m, 6 with runways 1,220-2,439 m

**Civil air:** 25 major transport aircraft, including 1 leased in

**Telecommunications:** most highly developed in the Middle East though not the largest, good system of coaxial cable and radio relay, 870,000 telephones (24.0 per 100 popl.), 14 AM, 10 FM stations, 15 TV stations and 30 repeater stations, 2 submarine cables, 1 Atlantic Ocean satellite station

#### DEFENSE FORCES

**Military manpower:** Jewish males 15-49, 750,000, 648,000 fit for military service, average number of Jews reaching military age (18) annually—28,000 males, 27,000 females, both sexes liable for military service

**Personnel:** army 135,000 (plus 300,000 reserve), navy 6,600, air force 28,500 (1,450 pilots), NAHAL 5,000, frontier guard 4,500, CHEN (women) 20,000 (S)

**Major ground units:** 10 armored divisions, 1 airborne division, 4 mechanized infantry, 4 airborne, and 7 infantry brigades (S)

**Ships:** 3 submarines, 8 patrol guided missile combatants, 12 missile attack boats, 32 patrol boats, 15 river roadstead patrol boats, 2 port security boats, 2 patrol air cushion vehicles, 10 amphibious, 5 service, and 3 auxiliary (S)

**Aircraft:** 1,045 (700 jet, 137 prop, 30 turboprop, 178 helicopters) (S)

**Missiles:** 17 Hawk missile batteries (16 towed and 1 self-propelled) and 48 Chaparral launchers (S)

Supply: produces most types of ammunition, vehicles up to 50-60-ton tank transporters, small arms, mortars up to 160 mm, 155 mm self-propelled and towed artillery, indigenously designed medium tanks, and chemical and biological warfare defense materiel, aircraft from native and foreign designs, and small turbojet engines, engine parts and components; also produces GABRIEL, an indigenously designed and produced naval surface-to-surface missile, as well as the SHAFRIR air-to-air missile, has built 6 patrol guided missile combatants and is building 6 more, most navy ships from U.K., France, and U.S.; equipment from U.S. and diverse sources in Western Europe (S)

Military budget: for fiscal year ending 31 March 1980, \$3.215 billion, about 29% of central government budget (C)

#### INTELLIGENCE AND SECURITY

Israeli Secret Intelligence Service (MOSSAD), foreign, Israeli Security Service (Shin Beth), domestic and foreign, Directorate of Military Intelligence (Sherut Modi'in), foreign political, economic, geographic, and military intelligence (S/NF)

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S E C R E T SECTION 01 OF 03 STATE 190384/01

E.O. 12065: GDS 7/24/85 (ROBERTS, SAMUEL)

TAGS:EG, IS, PINR

SUBJECT: INTSUM 859, JULY 24, 1979

LONDON FOR GLASPIE

PARIS FOR NICHOLAS MURPHY

DOD/ISA FOR RANSOM

OTHER ADDRESSEES FOR CHIEFS OF MISSION

WARNING NOTICE SENSITIVE SOURCES AND METHOD INVOLVED. NOT  
RELEASABLE TO FOREIGN NATIONALS

(PARAGRAPHS 1-3 CONFIDENTIAL)

1. ISRAEL-JORDAN: YARMUK WATER DISPUTE: IT APPEARS THAT THE YARMUK WATER DISPUTE BETWEEN ISRAEL AND JORDAN HAS ESSENTIALLY BEEN RESOLVED WITHOUT INCIDENT THROUGH INTENSIVE DIPLOMATIC ACTIVITY. THE POTENTIAL FOR CONFLICT AND POSSIBLE INVOLVEMENT OF THE MILITARY DISSIPATED WHEN THE REPRESENTATIVE OF THE JORDAN VALLEY AUTHORITY ORDERED HIS PEOPLE TO ALLOW ABSOLUTE MINIMUM WATER INTO THE EAST GHOR CANAL TO MEET JORDAN'S MINIMUM NEEDS, THEREBY ALLOWING ADDITIONAL WATER TO FLOW INTO THE YARMUK RIVER. THIS WAS CONFIRMED THOUGH NOT CONVEYED TO THE JORDANIAN GOVERNMENT BY ISRAELI ESTIMATES THAT

REPORTED THE INCREASED INFLUX OF WATER ON 18 JULY.

2. THE ISRAELI THREAT TO USE MILITARY FORCE, IF NECESSARY, COULD HAVE BEEN THE DECIDING FACTOR INFLUENCING THE JORDANIANS TO RESTORE THE FLOW OF WATER TO A LEVEL THAT SEEMS TO HAVE SATISFIED TEL AVIV.

3. ANOTHER JORDANIAN-ISRAELI MEETING BY TECHNICAL EXPERTS AT RIVERSIDE IS ANTICIPATED TO SORT OUT HOW BEST TO PROCEED ON THE NEXT PHASE OF THE BULLDOZER EXERCISE.

(PARAGRAPHS 4-9 CONFIDENTIAL)



4. OAU: SUMMIT RESULTS. THE ORGANIZATION OF AFRICAN UNITY SUMMIT LAST WEEK IN MONROVIA, LIBERIA, WAS UNUSUALLY CONTENTIOUS. THE 48 DELEGATIONS REFUSED TO CENSURE EGYPT'S MIDDLE EAST INITIATIVES, DECLINED TO RECOGNIZE THE MUZOREWA REGIME IN ZIMBABWE-RHODESIA, AND DECLARED THAT MOROCCO HAD ONLY ADMINISTRATIVE CONTROL IN WESTERN SAHARA.

5. AS NOTED IN A CIA ANALYSIS, MIDDLE EAST AFFAIRS NEARLY DOMINATED THE SUMMIT. SEVERAL RESOLUTIONS, ADOPTED BY CONSENSUS, WERE CAREFULLY WORDED TO DISAPPROVE ONLY OF TREATIES THAT HARM THE SOVEREIGNTY OF ARAB AREAS, TO RECOGNIZE THE RIGHT OF PAL-ESTINIANS TO THEIR OWN STATE, AND TO RECOGNIZE THE PALESTINE LIBERATION ORGANIZATION AS THE "SOLE LEGITIMATE" REPRESENTATIVE OF THE PALESTINIANS.

6. RESOLUTIONS ON SOUTHERN AFRICA WERE ADOPTED AT THE LAST MINUTE WITHOUT DEBATE. THE OAU AGREED IT WOULD NOT APPROVE US OR UK RECOGNITION OF THE MUZOREWA GOVERNMENT AND WOULD CONSIDER THE LIFTING OF SANCTIONS A HOSTILE ACT. THE PATRIOTIC FRONT WAS DESIGNATED THE "SOLE LEGITIMATE AND AUTHENTIC REPRESENTATIVE OF THE PEOPLE OF ZIMBABWE"---GOING BEYOND THE OAU'S PREVIOUS ENDORSEMENT OF THE FRONT AS THE ONLY RECOGNIZED LIBERATION GROUP.

7. ACCORDING TO THE US EMBASSY IN MONROVIA, OAU MEMBERS ARE UNCERTAIN WHAT THE ZIMBABWE RESOLUTION MEANS. ALL CONCUR THAT THEY WERE WARNING THE WESTERN POWERS NOT TO RECOGNIZE MUZOREWA OR TO LIFT SANCTIONS, BUT THEY DIFFER AS TO WHETHER NEGOTIATIONS FOR A SETTLEMENT SHOULD GO FORWARD. THE FRONTLINE STATES PREFER TO SEE NOTHING THAT WOULD HAMPER NEGOTIATIONS.

8. RESOLUTIONS ON WESTERN SAHARA WERE HARD-FOUGHT BUT FINALLY APPROVED BY A TWO-THIRDS MAJORITY. MOROCCO WALKED OUT OF THE SESSION AFTER IT WAS DECLARED THAT RABAT HAD ADMINISTRATIVE CONTROL BUT NOT SOVEREIGNTY OVER THE AREA. THE RESOLUTION CALLED FOR A CEASE-FIRE AND A REFERENDUM TO DETERMINE THE SAHARANS' PREFERENCE.

9. LIBERIAN PRESIDENT TOLBERT, WHO CHAIRED THE MEETING, KEPT CHAD OFF THE AGENDA AND CUT OFF A BITTER DISCUSSION ON UGANDA AFTER ALL THE PRINCIPALS HAD SPOKEN.

10. (S/NF) SYRIA-USSR: INCREASED AIRCRAFT DELIVERIES. THE USSR HAS CONTINUED TO PROVIDE SYRIA WITH A STEADY FLOW OF ADVANCED AIRCRAFT THIS YEAR DESPITE EARLIER SIGNS OF STRAINED RELATIONS BETWEEN DAMASCUS AND MOSCOW. UNUSUALLY LARGE SOVIET DELIVERIES IN JULY HAVE INCLUDED EIGHT MIG-23S--THE FIRST RECEIVED SINCE 1977--AND 24 MIG-21S. THESE DELIVERIES BRING THE TOTAL SO FAR THIS YEAR TO 68--CLOSE TO OR EXCEEDING TOTAL SOVIET FIGHTER AIRCRAFT SHIPMENTS IN EACH OF THE PREVIOUS FOUR YEARS. WE DO NOT KNOW WHETHER ALL OF THE SHIPMENTS INVOLVE EQUIPMENT ORDERED UNDER THE LAST MAJOR CONTRACTS WE ARE AWARE OF, WHICH WERE SIGNED IN 1977. NEGOTIATIONS FOR A LARGE NEW SOVIET-SYRIAN DEAL WERE NEAR COMPLETION IN APRIL, BUT WE HAVE NO CONFIRMATION THAT A NEW ACCORD

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WAS SIGNED. IF THE SOVIETS MAINTAIN THE PACE OF AIRCRAFT AND OTHER WEAPON SHIPMENTS TO SYRIA IN THE COMING MONTHS, OVERALL SOVIET DELIVERIES COULD REACH THEIR HIGHEST LEVEL SINCE 1974.

(PARAGRAPHS 10 - 17 UNCLASSIFIED)

10. ISRAEL-UNTSO: ISRAELI DEPUTY PRIME MINISTER YADIN SAID JULY 23 THAT THE US HAD SAID AT CAMP DAVID THAT IF UNEF WERE NOT RENEWED, IT WOULD BE REPLACED BY "ANOTHER INTERNATIONAL OR MULTINATIONAL FORCE." "THE UN OBSERVERS CAN ONLY REPORT ON WHAT HAPPENS...THE INTERNATIONAL FORCE ...SHOULD PREVENT BREACHES OF THE AGREEMENT...ENSURE FREEDOM OF NAVIGATION, FOR EXAMPLE.. IN ISRAEL, HA'ARIV REPORTED THAT "POLITICAL CIRCLES" THINK ISRAEL WILL FACE A "SHARP CONFRONTATION" WITH THE US. TALKS BETWEEN ISRAEL AND EGYPT ON THE MATTER WERE REPORTED AND THERE WERE "HINTS,, THE PAPER SAID, THAT EGYPT WAS NOT HAPPY WITH THE UNTSO PROPOSAL EITHER.

11. BEGIN'S HEALTH: AP REPORTED JULY 23 THAT BEGIN'S DOCTORS SAID HE HAS LOST 25 PERCENT OF THE VISION IN HIS RIGHT EYE AND 10 PERCENT IN THE LEFT EYE BECAUSE OF THE ARTERIAL BLOCKAGE. THE HEAD OF THE MEDICAL TEAM TREATING BEGIN SAID IT WAS TOO EARLY TO TELL IF THE EYE PROBLEM IS PERMANENT. THE DOCTOR ALSO SAID BEGIN'S "GRADUAL-REGENERATION CONTINUES AS EXPECTED." BEGIN IS REPORTED TO BE RECEIVING OFFICIAL VISITORS AND STILL MAKING MAJOR DECISIONS.

12. PERES-EGYPT: CAIRO MENA REPORTED JULY 23 THAT ISRAELI LABOR PARTY LEADER SHIMON PERES IS DUE IN EGYPT JULY 24 AND WILL MEET SADAT IN ALEXANDRIA.

13. TURKEY-ISRAEL: REUTER REPORTED JULY 23 THAT THE TURKISH GOVERNMENT HAS PROTESTED TO ISRAEL OVER IMPLICIT ISRAELI CRITICISM OF THE HANDLING OF THE SIEGE AT THE EGYPTIAN EMBASSY. AN OFFICIAL OF THE ISRAELI EMBASSY IN ANKARA SAID THE EMBASSY WAS ACCUSED OF INTERVENING IN DOMESTIC TURKISH AFFAIRS BY ISSUING COPIES OF ARTICLES ABOUT THE SIEGE TO JOURNALISTS. THESE ARTICLES INCLUDED A PHOTOGRAPH OF THE TURKISH INTERIOR MINISTER KISSING ONE OF THE GUERRILLAS AFTER THE SIEGE ENDED, REUTER SAID.

14. LEBANON-ISRAELI AIR STRIKES: THE LEBANESE GOVERNMENT HAS SAID IT WILL PROTEST TO THE UN SECURITY COUNCIL ABOUT THE ISRAELI AIR RAIDS OF JULY 22. NEWSPAPERS, EMBASSY BEIRUT AND DEFENSE ATTACHE SOURCES PUT THE NUMBER OF DEAD AT 18 OR 20 WHILE THE WOUNDED ARE REPORTED TO NUMBER 65 TO 70. ALL THE LEBANESE PAPERS SAY CIVILIANS, INCLUDING WOMEN AND CHILDREN, WERE AMONG THE CASUALTIES. EMBASSY BEIRUT SAID THE RAIDS OCCURED AT THE TIME WHEN THE ROADS IN THE AREA OF THE STRIKES ARE USUALLY FILLED WITH PEOPLE RETURNING FROM THE MOUNTAINS AND THE BEACHES. ONE OF THE AREAS HIT IS ABOUT FIVE MILES FROM BEIRUT AIRPORT WHICH WAS FORCED TO CLOSE FOR ONE HOUR. LEBANESE PRIME MINISTER AL HUSS SAID THIS WAS A "BLATANT CRIMINAL ACTION" AND CALLED ON OTHER COUNTRIES TO "ASSUME THEIR RESPONSIBILITIES" TO END THESE ACTIONS.

15. PLO-US: IN A STATEMENT TO A LEFTIST LEBANESE NEWSPAPER AL-SAFIR ON JULY 23, YASSER ARAFAT SAID THAT HE WILL SEND A DELEGATION TO THE UNITED STATES IF IT EXPRESSES READINESS TO NEGOTIATE WITH THE PLO. HE DENIED THERE WERE ANY CONTACTS BETWEEN THE US ADMINISTRATION AND SOME PALESTINIAN UNIVERSITY PROFESSORS. DESPITE HIS EXPRESSION OF DESIRE FOR A DIALOGUE WITH THE US, A, AFA, ACCUSED THE UNITED STATES OF HELPING ISRAEL TO "EXTERMINATE, THE PALESTINIAN PEOPLE."

16. EGYPT-NEGOTIATIONS: THE EGYPTIAN PRESS REPORTS THAT VIC- PRESIDENT MUBARAK WHILE DELIVERING AN ADDRESS TO THE CENTRAL COMMITTEE OF THE ARAB SOCIALIST UNION ON THE ANNIVERSARY OF THE 1952 REVOLUTION:

(A) NOTED THAT NASSER WAS THE FIRST LEADER TO ACCEPT UNSC RESOLUTION 242 AS WELL AS THE JARRING AND ROGERS PLANS;

(B) CLAIMED THAT THE REJECTIONISTS THEN AND NOW FAILED TO APPRECIATE THE TRADEOFF BETWEEN ISRAELI WITHDRAWAL AND ARAB ACCEPTANCE OF ISRAEL;

(C) WARNED THAT EGYPT EXPECTS TANGIBLE PROGRESS IN AUTONOMY NEGOTIATIONS OR THERE WILL BE "GRAVE CONSEQUENCES;"

(D) INSISTED THAT AUTONOMY MUST APPLY TO LAND AS WELL AS PEOPLE AND THAT A "PALESTINIAN GOVERNMENT" MUST HAVE LEGISLATIVE AND JUDICIAL POWERS; AND

(E) DECLARED THAT ISRAELI SETTLEMENT POLICY IS "UNACCEPTABLE."

17. EGYPT-US: THE EGYPTIAN PRESS ON JULY 23 PROMINENTLY REPORTED ASSISTANT SECRETARY SAUNDERS' ASSERTION IN CONGRESSIONAL TESTIMONY THAT EGYPT NEEDS THE F-4 TO ENSURE THE SECURITY OF THE NILE VALLEY, SUEZ CANAL AND THE SIDRAH. *VANCE*

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CFR REPORT, INFORM CONSULS, CINC/SHAPE FOR POLADS ONLY

R.O. 12865 GDS 7/25/85 (TARNOFF, PETER)

TAGS: XI, US

SUBJECT: (U) CURRENT FOREIGN RELATIONS, ISSUE NO. 29,  
JULY 25, 1979

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1. (U) IO - MIDDLE EAST ISSUES IN THE UN (GDS 7/25/85)

(S) IN RECENT WEEKS, SEVERAL ISSUES INVOLVING THE MIDDLE EAST HAVE COME BEFORE THE SECURITY COUNCIL. AS A RESULT OF DISCUSSIONS AT THE SUMMIT IN VIENNA, IT BECAME CLEAR THAT THE SOVIETS WERE DETERMINED TO VETO THE RENEWAL OF THE UNITED NATIONS EMERGENCY FORCE (UNEF) WHEN ITS MANDATE EXPIRED JULY 24. BEGINNING IN MID-APRIL, WE HAD ASKED EGYPT AND ISRAEL TO GIVE US THEIR VIEWS ON THE AVAILABLE ALTERNATIVES TO UNEF: EITHER THE USE OF THE UN TRUCE SUPERVISION ORGANIZATION (UNTSO) AS A SUBSTITUTE FOR UNEF, OR THE CREATION OF A NON-UN MULTINATIONAL FORCE. IN JULY WE EXPLORED WITH THE SOVIETS WHETHER THEY WOULD BE WILLING TO ALLOW UNTSO TO CONTINUE TO FUNCTION, AND WE LINED UP A NINE-VOTE MAJORITY IN THE SECURITY COUNCIL ON UNEF RENEWAL. FACED WITH THE PROSPECT OF HAVING TO VETO, THE SOVIETS EVENTUALLY ACCEPTED THE USE OF UNTSO, PROVIDED WE WOULD NOT BRING UNEF RENEWAL TO A VOTE. EGYPT ACCEPTED THIS COMPROMISE PROPOSAL, BUT ISRAEL REJECTED IT. WE ARE CONTINUING TO DISCUSS THIS QUESTION WITH ISRAEL AND ARE CONFIDENT THAT A SATISFACTORY CONCLUSION CAN BE REACHED. THERE IS NO IMMEDIATE CRISIS, AND ISRAELI WITHDRAWALS ARE CONTINUING IN THE SINAI AS CALLED FOR IN THE PEACE TREATY.

<sup>S</sup>  
( ) A SECOND ISSUE INVOLVED A RESOLUTION ON ISRAELI SETTLEMENTS IN THE OCCUPIED TERRITORIES, DEBATED BY THE SECURITY COUNCIL JULY 17-19. WE ABSTAINED IN THE VOTE ON THE RESOLUTION WHICH WAS ADOPTED BECAUSE WE WERE CONCERNED THAT THE RESOLUTION ADOPTED RECOMMENDATIONS MADE BY A SECURITY COUNCIL COMMISSION ON ISRAELI SETTLEMENTS WHICH WENT BEYOND THE SETTLEMENTS QUESTION.

AT THE SAME TIME, WE RESTATED OUR POSITION THAT ISRAELI SETTLEMENTS ARE INCONSISTENT WITH INTERNATIONAL LAW AND PREJUDGE AN ISSUE WHICH WILL HAVE TO BE DEALT BY  
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WITH IN THE NEGOTIATIONS.

(S) FINALLY, A RESOLUTION ON PALESTINIAN RIGHTS IS SCHEDULED TO BE DEBATED BY THE SECURITY COUNCIL ON JULY 27. A VOTE MAY COME AS EARLY AS JULY 30.

2. (U) NEA - U.S. ORDERS PRECAUTIONARY EVACUATION OF DEPENDENTS AND NON-ESSENTIAL EMPLOYEES FROM KABUL (GDS 7/25/85)

(LOU) IN THE FACE OF A DETERIORATING INTERNAL SECURITY SITUATION AND A RISING LEVEL OF VIOLENCE IN KABUL AND ALONG THE MAJOR OVERLAND ROUTE TO PAKISTAN, WE ORDERED THE EVACUATION OF ALL USG DEPENDENTS AND NON-ESSENTIAL PERSONNEL FROM AFGHANISTAN. THEY WILL BE COMING OUT OVER A TWO WEEK PERIOD ON REGULARLY SCHEDULED FLIGHTS. WE HAVE ADVISED THE PRIVATE AMERICAN COMMUNITY TO DO LIKEWISE AND ARE URGING THAT NON-ESSENTIAL TRAVEL TO AFGHANISTAN NOT BE UNDERTAKEN AT THIS TIME. OUR DRAWDOWN WILL INVOLVE ABOUT 100 PEOPLE. WE HAVE MADE CLEAR TO THE DRA THAT OUR DECISION DOES NOT REPRESENT A POLITICAL JUDGMENT BUT RATHER A PRUDENT STEP IN LIGHT OF OUR SECURITY CONCERNS.

(LOU) IN APPARENT RESPONSE TO OUR DECISION, THE DRA SUBSEQUENTLY NOTIFIED US THAT WE SHOULD REDUCE OUR STAFF IN KABUL IN LIGHT OF OUR REDUCED LEVEL OF AID. THE DRA HAS ASKED THE STAFF ASSIGNED AFTER THE APRIL 1978 REVOLUTION BE WITHDRAWN, BUT WE STILL ARE NOT CERTAIN WHAT THE FINAL LEVEL WILL BE.

(C) THE TREND OF THE INSURGENCY CONTINUES TO RUN AGAINST THE KHALQI REGIME OF NOOR MOHAMMED TARAKI AS REPORTS OF FIGHTING AND SERIOUS MILITARY MORALE AND COORDINATION PROBLEMS MULTIPLY. HOWEVER, THE REBELS HAVE STILL NOT DEMONSTRATED A CAPABILITY TO COORDINATE THEIR ACTIVITIES OR TO STRIKE EFFECTIVELY AT THE SEAT OF KHALQI POWER IN KABUL. THE SOVIETS ARE PROBABLY CONCERNED ABOUT THE STAYING POWER OF THE REGIME AND MAY HOPE FOR SOME KIND OF POLITICAL SOLUTION TO THE AFGHAN SITUATION. WHILE THE PRESENT REGIME IS CLEARLY IN TROUBLE, IT IS DIFFICULT TO PREDICT HOW OR WHEN LEADERSHIP CHANGES MIGHT OCCUR.

3. (U) ARA:NEW GOVERNMENT IN NICARAGUA (GDS 7/24/85)

(U) THE SOMOZA DYNASTY ENDED JULY 17 WITH SOMOZA'S DEPARTURE FOR MIAMI. CHAMBER OF DEPUTIES PRESIDENT FRANCISCO URUCYO, ELECTED INTERIM PRESIDENT BY THE

PRO-SOMOZA NICARAGUAN CONGRESS, THEN DISRUPTED CAREFULLY NEGOTIATED TRANSITION PLANS, TO WHICH HE HAD PREVIOUSLY AGREED, BY ANNOUNCING HIS INTENTION TO REMAIN IN POWER UNTIL THE 1981 ELECTIONS. THE U.S. PROMPTLY WITHDREW ITS AMBASSADOR AND MOST EMBASSY STAFF TO PROTEST URUCYO'S ACTION. URUCYO LASTED 48 HOURS, UNTIL THE NATIONAL GUARD DISINTEGRATED AND INTERNATIONAL PRESSURES MADE HIS POSITION UNTENABLE.

(C) THE NEW GOVERNMENT OF NATIONAL RECONSTRUCTION (GRN) WAS INSTALLED JULY 28, IN A CEREMONY ATTENDED BY  
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BY AMBASSADOR BOWDLER, WHO HAD BEEN U.S. REPRESENTATIVE IN A MEDIATION EFFORT FROM SEPTEMBER 1978 TO JANUARY 1979 AND RECENTLY IN CONTACT WITH GRN LEADERS IN COSTA RICA. RELATIONS WITH THE U.S. ARE A MATTER OF GREAT SENSITIVITY TO THE NEW NICARAGUAN LEADERSHIP. ALTHOUGH IT IS TOO EARLY TO TELL HOW THEY WILL EVOLVE, THE GRN SO FAR HAS BEEN CAREFUL, CORRECT AND FAIRLY RESPONSIVE IN ITS DEALINGS WITH THE UNITED STATES.

(U) THE GRN HAS INVITED OAS FOREIGN MINISTERS AND THE INTER-AMERICAN COMMISSION ON HUMAN RIGHTS TO VISIT NICARAGUA AND HAS PROMISED TO DISCOURAGE INDISCRIMINATE REPRISALS. IT HAS PLEDGED TO HOLD CITY COUNCIL ELECTIONS, A CONSTITUTIONAL CONVENTION AND NATIONAL ELECTIONS BUT HAS NOT ANNOUNCED A TIMETABLE.

(LOU) NICARAGUA FACES CONSIDERABLE PHYSICAL DEVASTATION, ECONOMIC DISLOCATION AND PERSONAL SUFFERING. WE ARE RESPONDING PROMPTLY TO REQUESTS FOR HUMANITARIAN RELIEF AND ALREADY HAVE APPROVED THE DIVERSION OF 2,225 TONS OF PL 490 COMMODITIES FROM THE UNITED STATES, GUATEMALA, COSTA RICA, AND EL SALVADOR. TO DATE, SOME 640 TONS HAVE BEEN AIRLIFTED INTO MANAGUA BY THE ICRC AND THE U.S.

4. (U) ARA - PANAMA CANAL TREATY LEGISLATION

(LOU) THE SENATE WILL BEGIN FLOOR DEBATE THIS WEEK ON LEGISLATION TO IMPLEMENT THE PANAMA CANAL TREATIES, WHICH ENTER INTO FORCE ON OCTOBER 1. THE SENATE ARMED SERVICES COMMITTEE ADOPTED A BILL SIMILAR TO THE ADMINISTRATION PROPOSAL, WHILE THE HOUSE BILL CONTAINS PROVISIONS WHICH ARE INCONSISTENT WITH THE TREATIES. THE SENATE WILL PROBABLY ADOPT THE ARMED SERVICES COMMITTEE BILL, SETTING THE STAGE FOR A TOUGH FIGHT IN CONFERENCE. TIME IS NOW CRITICAL, WITH THE AUGUST CONGRESSIONAL RECESS CONSUMING NEARLY HALF THE REMAINING PERIOD UNTIL OCTOBER 1.

5. (U) AF - OAU SUMMIT: PRELIMINARY CONCLUSIONS (GDS 7/25/85)

(C) CHAD WAS IN MANY RESPECTS THE MOST INTERESTING ISSUE OF THE OAU CONFERENCE, AS IT COMBINED THE ISSUE OF FOREIGN TROOPS WITH THAT OF AN EMERGING "SUPERPOWER." NIGERIA, PRESSURING OTHER STATES INTO AN UNPRECEDENTED REFUSAL TO RECOGNIZE A DELEGATION ON THE GROUNDS THAT IT WASN'T REPRESENTATIVE.

(C) IN GENERAL, THE MODERATES CONDUCTED THEMSELVES WITH

CONFIDENCE AND PURPOSE, AND WITH LITTLE CONCERN FOR THE OPINIONS OF THE RADICALS. THE HARDCORE RADICALS--BFNIN, MADAGASCAR, ANGOLA, CONGO, ETHIOPIA--SEEMED IN FACT TO BE LITTLE MORE THAN A SIDE SHOW AT THE CONFERENCE, LIBYA REMAINING RESTRAINED THROUGHOUT.

(C) TANZANIA'S INVASION OF UGANDA THREW THE WEAKNESSES OF THE OAU CHARTER INTO HIGH RELIEF. ALTHOUGH DEBATE ON THE SUBJECT WAS HALTED ABRUPTLY BY THE SUMMIT (PRESUMABLY AT THE URGING OF PRESIDENT TOLBERT, THE CHAIRMAN), ITS IMPORTANCE WAS CLEARLY RECOGNIZED, BUT IT ESCAPED WITHOUT SERIOUS DAMAGE.

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(C) THE NECESSITY OF RE-EXAMINING THE CHARTER RECEIVED CONSIDERABLE ATTENTION. SUDAN'S NIMEIRI PROPOSED THAT THE OAU REMEDY ITS WEAKNESS IN CRISIS MANAGEMENT BY CREATING A COUNCIL OF FIVE HEADS OF STATE ABLE TO INTERCEDE IN CONFLICTS WITH THE POWER TO MAKE DECISIONS BINDING ON THE PARTIES. HOWEVER, THE OAU FUNCTIONS QUITE ADEQUATELY AS A FORUM, AND ITS MEMBERS WILL HAVE MORE THAN A FEW SECOND THOUGHTS ABOUT GIVING IT ANY EXECUTIVE AUTHORITY.

(C) IT MAY BE THAT THE PAST YEAR HAS MARKED A TURNING POINT FOR THE OAU IN ITS CONSIDERATION OF ECONOMIC ISSUES. THE DISMAL ECONOMIC SITUATION IN AFRICA HAS BEEN FOCUSED UPON AND DISCUSSED PUBLICLY WITH UNFLINCHING REALISM. THERE SEEMS TO BE A WILL TO ADDRESS ECONOMIC ISSUES IN A SERIOUS WAY, AND A REALIZATION THAT THE OAU JUST MIGHT BE A USEFUL INSTRUMENT IN THIS REGARD. WITHIN THE NEXT THREE MONTHS WE MAY SEE A SUMMIT ON ECONOMIC ISSUES IN LAGOS, AND THE BEGINNING OF ATTEMPTS TO TURN THE PIETY INTO A WORKING PROGRAM.

(C) FOR THE FIRST TIME THERE WAS A GENERAL ACKNOWLEDGEMENT DURING THESE MEETINGS THAT THE HUMAN RIGHTS SITUATION IN AFRICA IS NOT UNIFORMLY IDEAL. A RESOLUTION ON A HUMAN RIGHTS CHARTER FOR AFRICA WAS ADOPTED. THE CONCEPT OF HUMAN RIGHTS HAS DEFINITELY ARRIVED IN AFRICA.

6. (U) INR - POLAND: MASSIVE GRAIN IMPORT REQUIREMENTS (GDS 7/25/85)

(C) PLAGUED BY MONTHS OF BAD WEATHER, THE POLISH GRAIN CROP NOW BEGINNING TO BE HARVESTED COULD WELL BECOME ONE OF THE WORST IN RECENT YEARS. AT THE EXPENSE OF ITS ALREADY WORSENING FINANCIAL POSITION, WARSAW INTENDS TO OFFSET THE HARVEST SHORTFALL WITH LARGE-SCALE GRAIN AND FEED IMPORTS. THE GRAIN IS NEEDED TO SUPPORT THE CONTINUED EXPANSION OF LIVESTOCK HERDS--A TOP GOVERNMENT PRIORITY. WARSAW, HOWEVER, MAY NOT OBTAIN THE DOLS 1.5 BILLION IN GRAIN CREDITS IT WILL REQUIRE TO STAVE OFF A DECLINE IN DOMESTIC MEAT PRODUCTION NEXT YEAR.

(U) PARTY LEADER GIEREK INDICATED LAST MONTH THAT, OWING TO THE POOR HARVEST OUTLOOK, WARSAW PLANS TO STEP UP ITS GRAIN AND FEED IMPORTS BY ALMOST 1 MILLION METRIC TONS--TO 8 MMT--PROBABLY DURING THE CURRENT MARKETING YEAR (JULY-JUNE). WORLD GRAIN PRICES HAVE RISEN 40-50 PERCENT OVER THE LAST YEAR, AND ONLY SMALL QUANTITIES OF GRAIN WILL BE AVAILABLE FROM THE USSR. POLISH HARD-CURRENCY COSTS FOR THE DESIRED GRAIN AND FEED IMPORTS CONSEQUENTLY WILL RISE

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R PIDLY THIS MARKETING YEAR TO ABOUT DOLS 1.5 BILLION (FROM  
LESS THAN TEAN DOLS 1 BILLION LAST YEAR).

(C) SINCE OTHER WESTERN COUNTRIES CAN PROVIDE LITTLE ADDI-  
TIONAL GRAIN, MUCH OF POLAND'S IMPORTS MUST COME FROM THE  
US--ABOUT 3 MMT OF GRAIN AND SUBSTANTIAL QUANTITIES OF PRO-  
TEIN FEED. THE POLES RECENTLY REQUESTED DOLS 700 MILLION IN  
FY80 CCC CREDITS TO FINANCE SUCH IMPORTS BUT REDUCED THE  
REQUEST TO DOLS 500 MILLION WHEN THE USDA POINTED OUT OUR  
LACK OF FUNDS. THE FY80 CCC BUDGET HAS BEEN CUT IN EALF  
FROM THE FY79 LEVEL TO DOLS 800 MILLION.

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(C/NF) ACCORDING TO US BANKERS, WARSAW IS PREPARING TO DRAW ON ITS DOLS 100 MILLION LINE OF CCC GUARANTEES AND WILL REQUEST STILL MORE. WARSAW HAD BEEN RELUCTANT TO USE THE GUARANTEE PROGRAM, WHICH IS CURRENTLY LIMITED TO A TOTAL EXPOSURE OF DOLS 600 MILLION WORLDWIDE, BECAUSE OF THE HIGHER INTEREST CHARGES INVOLVED.

(C) POLISH GRAIN CREDIT REQUIREMENTS TPUS APPEAR TO EXCEED SUBSTANTIALLY THE WESTERN GOVERNMENT FINANCING (INCLUDING CCC CREDITS AND GUARANTEES) LIKELY TO BE AVAILABLE. MOREOVER, WARSAW MAY NOT BE ABLE TO TURN TO WESTERN BANKS TO MAKE UP THE DIFFERENCE, BECAUSE PRIVATE LENDERS ARE INCREASINGLY CONCERNED ABOUT WARSAW'S ABILITY TO SERVICE ITS DEBTS.

7. (U) INR - CHINESE JOINT VENTURE LAW CHALLENGES  
INGENUITY, FLEXIBILITY OF WOULD-BE PARTNERS

(LOU) CHINA'S NEW JOINT VENTURE LAW--WHILE SILENT ON MANY AREAS OF IMPORTANCE TO POTENTIAL INVESTORS--PLACES A MINIMUM OF RESTRAINTS ON JOINT VENTURES WHICH MIGHT ATTRACT FOREIGN CAPITAL, MANAGEMENT, AND TECHNOLOGY TO CHINA. IT ALSO LEAVES WIDE LATITUDE FOR NEGOTIATION OF THE TERMS OF INDIVIDUAL VENTURES. CHINA, HOWEVER, AS ANY LDC, WILL BE SENSITIVE TO THE APPEARANCE OF EXPLOITATION BY FOREIGNERS, AND INVESTORS ARE LIKELY TO BE SUBJECT TO IDEOLOGICAL SWIPING AS THEY NEGOTIATE WITH THE BUREAUCRACY.

(U) THE LAW APPEARS FLEXIBLE AND CLEARLY REFLECTS BENEFIT FROM THE EXPERIENCE OF OTHER COUNTRIES, NOTABLY YUGOSLAVIA, WITH SUCH LEGISLATION. AMONG THE INCENTIVES OFFERED TO ATTRACT FOREIGN PARTNERS ARE:

--PARTICIPATION IN MANAGEMENT, INCLUDING PRODUCTION DECISIONS;

--NO STATED MAXIMUM PARTICIPATION IN EQUITY BY A FOREIGN PARTNER (MINIMUM PARTICIPATION IS SET AT 25 PERCENT);

--PROTECTION OF EQUITY, REPATRIATION OF PROFITS, AND TAX AND REINVESTMENT INCENTIVES; AND

--PERMISSION TO USE IMPORTED RAW MATERIALS (WITH SOME "BUY CHINA" PREFERENCES) AND TO SELL THE PRODUCT WITHIN CHINA.

IMPORTANT LIMITATIONS INCLUDE:

--CHINESE APPOINTMENT OF THE CHAUPMAN OF THE BOARD OF A VENTURE, ENSURING PARTNERSHIP (I.E., CONCERNERS) RATHER

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**HAN CORPORATE (VOTING SHARES) MANAGEMENT DECISIONS; AND**

**--A UNIQUE PROHIBITION--WITH PENALTIES--ON THE SUPPLYING OF  
OBSOLETE TECHNOLOGY (WHICH COULD CONCEIVABLY CONFLICT WITH  
US EXPORT CONTROL LAWS AND POLICIES IN SOME CASES).**

**(LOU) A NEWLY CREATED FOREIGN INVESTMENT CONTROL COMMIS-  
SION--TO BE HEADED BY A WELL-KNOWN PRE-1949 INDUSTRIAL-  
IST--WILL REVIEW JOINT VENTURE AGREEMENTS, PRESUMABLY AS  
THEY RELATE TO CHINA'S ECONOMIC DEVELOPMENT PLANS. THE  
CREATION OF A SUBSTANTIAL PRIVATE SECTOR WILL INTRODUCE  
PROBLEMS THE HIDEBOUND CHINESE BUREAUCRACY HAS NEVER  
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ENCOUNTERED BEFORE, AND THE FIRST FEW JOINT VENTURES WILL PROBABLY FACE MANY ADMINISTRATIVE PROBLEMS.

8. (LOU) EB - COMMODITY NEGOTIATIONS: NO SUMMER DOLDRUMS

(LOU) THIS SUMMER IS WITNESSING AN UNUSUALLY HIGH LEVEL OF ACTIVITY BOTH INTERNATIONALLY AND IN WASHINGTON ON OUTSTANDING COMMODITY ISSUES. THE MOST SIGNIFICANT DEVELOPMENTS INCLUDE:

-- COMMON FUND: UNCTAD-SPONSORED NEGOTIATIONS RESUME IN SEPTEMBER LOOKING TOWARDS CREATION OF THE COMMON FUND. IN TWO MEETINGS THIS MONTH, THE OECD'S AD HOC GROUP ON THE COMMON FUND IS REVIEWING DRAFT ARTICLES OF AGREEMENT PREPARED BY THE UNCTAD SECRETARIAT AND BASED ON THE FRAMEWORK AGREEMENT REACHED IN GENEVA LAST MARCH. THE U.S. REMAINS OPTIMISTIC THAT A VIABLE COMMON FUND CAN BE ESTABLISHED IN THE NEAR FUTURE--BUT A NUMBER OF POTENTIALLY DIFFICULT QUESTIONS REMAIN TO BE RESOLVED, INCLUDING THAT OF BLOC VOTING SHARES AND THE EXACT NATURE AND FINANCING OF THE FUND'S PROJECTED "SECOND WINDOW" FOR COMMODITY MEASURES OTHER THAN STOCKING.

-- COCOA: NEGOTIATIONS ARE NOW UNDER WAY TO DRAFT A NEW INTERNATIONAL AGREEMENT. PROGRESS HAS BEEN SLOW THUS FAR, WITH SUBSTANTIAL DIFFERENCE ON PRICE BETWEEN PRODUCING AND CONSUMING NATIONS. THE U.S. WAS NOT A MEMBER OF THE LAST COCOA AGREEMENT BUT HOPES TO BE ABLE TO JOIN THIS TIME. OUR ENTRY DEPENDS IN LARGE PART ON THE EVENTUAL STRUCTURE THAT A RENEGOTIATED COCOA AGREEMENT WILL TAKE. THE U.S. HAS ENCOURAGED INCREASED RELIANCE ON THE COCOA BUFFER STOCK RATHER THAN EXPORT CONTROLS AS A CENTRAL FEATURE OF ANY FUTURE AGREEMENT.

-- TIN: GSA STOCKPILE LEGISLATION HAS PASSED THE HOUSE, PROVIDING FOR DISPOSAL OF 35,000 TONS. FIVE THOUSAND TONS OF THIS WOULD GO TO THE INTERNATIONAL TIN BUFFER STOCK IN FULFILLMENT OF A 1977 PLEDGE MADE BY SECRETARY VANCE. THE BILL IS CURRENTLY UNDER COMMITTEE STUDY IN THE SENATE, WITH PROSPECTS FOR FLOOR ACTION AFTER THE AUGUST RECESS. AT THE SAME TIME, INTERNATIONAL TIN COUNCIL MEETINGS WHICH CONCLUDED LAST WEEK RAISED FLOOR, CEILING AND INTERVENTION PRICES SUBSTANTIALLY, OVER THE OBJECTION OF SEVERAL CONSUMING COUNTRIES INCLUDING THE U.S. THE ITC MEETING ALSO CONTINUED PREPARATORY WORK LOOKING TOWARDS NEGOTIATION OF A

SIXTH INTERNATIONAL TIN AGREEMENT NEXT YEAR.

-- SUGAR: U.S. RATIFICATION OF THE INTERNATIONAL SUGAR AGREEMENT (ISA) IS STILL BEING HELD UP PENDING ENACTMENT OF AN ACCEPTABLE DOMESTIC SUGAR SUPPORT PROGRAM. WORK ON SUCH A PROGRAM IS MOVING SLOWLY BUT A BILL SHOULD REACH THE HOUSE FLOOR BY SEPTEMBER. THE ADMINISTRATION HAS ASSURED ISA MEMBER COUNTRIES THAT THE AGREEMENT REMAINS A KEY PART OF U.S. SUGAR POLICY AND HAS USED EXISTING AUTHORITY TO RESTRICT SUGAR IMPORTS FROM NON-ISA SUPPLIERS AS WELL AS PAY OUR 1978 CONTRIBUTION TO THE ORGANIZATION.

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-- RUBBER: THE THIRD SESSION OF THE U.N. NEGOTIATING CONFERENCE ON NATURAL RUBBER MADE GOOD PROGRESS BUT ADJOURNED WITHOUT COMPLETING A FINAL TEXT ON THE FIRST INTERNATIONAL RUBBER AGREEMENT. THE MAJOR UNRESOLVED ISSUE IS FINANCING OF THE 550,000 TON BUFFER STOCK. THE CONFEREES AGREED THAT NEGOTIATIONS WOULD BE RESUMED NOT LATER THAN SEPTEMBER 1979. WE BELIEVE THAT THE WORKABLE AGREEMENT WHICH IS IN SIGHT WILL MARK A SIGNIFICANT STEP IN OVERALL NORTH-SOUTH COMMODITY DISCUSSIONS.

-- COPPER: THE UNCTAD EXPERTS GROUP MEETING IN LATE JUNE-EARLY JULY CONTINUED TECHNICAL STUDY OF COPPER STABILIZATION MEASURES, BUT WAS UNABLE TO ISSUE RECOMMENDATIONS. DISCUSSION CENTERED ON BUFFER STOCK SCHEMES, WITH THE U.S. ALONE VIEWING A PURE BUFFER STOCK APPROACH AS POTENTIALLY FEASIBLE. THE NEXT PREPARATORY MEETING IS SCHEDULED FOR SEPTEMBER. THE U.S. CONTINUES WILLING TO DISCUSS POSSIBLE STABILIZATION ALTERNATIVES IN THIS FORUM, WITHOUT MAKING A JUDGEMENT FOR NOW ON WHETHER A SUFFICIENT BASIS EXISTS FOR EVENTUAL NEGOTIATIONS ON AN INTERNATIONAL COPPER AGREEMENT.

9. (U) PA - PUBLIC DOES NOT BELIEVE SALT WILL PERMIT CUTS IN DEFENSE SPENDING

(U) THE AMERICAN PUBLIC IS INCLINED TO BELIEVE THAT RATIFICATION OF SALT WOULD NOT WARRANT A REDUCTION IN U.S. DEFENSE SPENDING. EVEN SUPPORTERS OF THE TREATY DO NOT ENVISAGE IT AS A MEANS OF CUTTING THE DEFENSE BUDGET.

(U) A CBS POLL CONDUCTED IN EARLY JUNE SHOWED A PLURALITY OF THE PUBLIC (49 PERCENT) REJECTED THE IDEA THAT PASSAGE OF THE TREATY WOULD PERMIT CUTS IN DEFENSE SPENDING. OPPOSITION TO DEFENSE CUTS CAME FROM SUPPORTERS OF SALT AS WELL AS FROM THOSE WHO OPPOSED THE TREATY. CBS ASKED THIS QUESTION:

"IF THERE IS A SALT TREATY WITH THE SOVIET UNION, DO YOU THINK THE UNITED STATES SHOULD OR SHOULD NOT CUT DEFENSE SPENDING?"

-- OPINION ON SALT

TOTAL PUBLIC	FAVOR	OPPOSE	UNDECIDED,
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(27 PERCENT (9 PER- NO OPINION  
OF PUBLIC) CENT) (64 PERCENT)

CUT DEFENSE  
SPENDING

(IN PERCENT)

SHOULD NOT	49	54	73	43
SHOULD	34	41	25	33
NO OPINION	17	5	2	24

(U) THE 34 PERCENT OF THE PUBLIC WHO WERE DISPOSED TO  
CUTTING DEFENSE SPENDING IF SALT WERE RATIFIED IS

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ABOUT TWICE AS LARGE AS THE PROPORTION THAT FAVORED REDUCED DEFENSE SPENDING ON A DIFFERENT QUESTION ASKED BY CBS IN JANUARY. CBS ASKED: "SHOULD FEDERAL SPENDING ON MILITARY AND DEFENSE PROGRAMS BE INCREASED, BE REDUCED, OR KEPT ABOUT THE SAME?"

INCREASED	34
KEPT SAME	47
REDUCED	16
NO OPINION	3

(U) WE DO NOT BELIEVE THAT THE PUBLIC'S ATTITUDES TOWARD DEFENSE SPENDING HAVE SUBSTANTIALLY ALTERED SINCE JANUARY. THE LARGER PROPORTION IN FAVOR OF REDUCED DEFENSE SPENDING ON CBS' JUNE POLL CAN BE EXPLAINED BY TWO MAJOR DIFFERENCES IN THE WORDING OF THE QUESTIONS: (1) IN JUNE, CBS ASKED ABOUT CUTTING DEFENSE SPENDING IN CASE OF SALT RATIFICATION, IN CONTRAST TO A MORE NEUTRAL QUESTION USED IN JANUARY; AND (2) CBS' JUNE POLL OFFERED RESPONDENTS ONLY TWO OPTIONS--CUTTING OR NOT CUTTING DEFENSE SPENDING. SOME OF THOSE WHO SAID IN JUNE THAT THE U.S. "SHOULD CUT DEFENSE SPENDING MIGHT HAVE RESPONDED 'KEEP SPENDING THE SAME,' IF THEY HAD BEEN GIVEN THREE ALTERNATIVES AS IN JANUARY.

(U) THE DESIRE TO CUT MILITARY SPENDING HINGES LESS ON PASSAGE OF SALT THAN ON THE PUBLIC'S VIEWS OF HOW U.S. MILITARY POWER WILL COMPARE WITH THAT OF THE USSR AFTER SALT. THOSE WHO EXPECT SALT TO LEAVE THE U.S. AND THE USSR ABOUT EQUAL MILITARILY ARE EVENLY DIVIDED ON WHETHER TO CUT THE DEFENSE BUDGET. THOSE WHO EXPECT THE U.S. TO BE WEAKER AFTER SALT OPPOSE DEFENSE CUTS BY NEARLY THREE-TO-ONE.

10. (U) EA - GENEVA REFUGEE CONFERENCE (GDS 7/25/85)

(C) THE UN CONFERENCE ON INDOCHINESE REFUGEES CALLED FOR BY UN SECRETARY GENERAL WALDHEIM AND HELD IN GENEVA JULY 20-21 MADE SUBSTANTIAL PROGRESS TOWARD ITS HUMANITARIAN OBJECTIVES. IT REMAINS TO BE SEEN, HOWEVER, WHETHER VIETNAM WILL PROVIDE THE PROTECTION OF HUMAN RIGHTS AND LIVELIHOOD FOR ITS PEOPLE AND WHETHER IT IS WILLING TO SEEK A POLITICAL RATHER THAN MILITARY SOLUTION IN KAMPUCHEA.

(C) THE UNITED STATES ROLE WAS CENTRAL TO THE SUCCESS. VICE PRESIDENT MONDALE LED A DISTINGUISHED GROUP OF GOVERNERS, CONGRESSMEN AND LEADERS FROM THE PRIVATE SECTOR TO THE CONFERENCE. IN HIS ELOQUENT SPEECH AND PRIVATE

MEETINGS WITH FIFTEEN FOREIGN MINISTERS AND SECRETARY GENERAL WALDHEIM, THE VICE PRESIDENT MADE IT STARKLY CLEAR THAT THE TIME HAD COME TO CONFRONT THIS TRAGEDY OF AWFUL HUMAN AND POLITICAL PROPORTIONS. HE CHALLENGED OTHERS TO FOLLOW THE EXAMPLE SET BY THE U.S. AND JAPAN IN MAKING CONCRETE SIGNIFICANT OFFERS FOR MORE REFUGEE RESETTLEMENT AND FINANCIAL SUPPORT FOR TEMPORARY ASYLUM. HE EXPLAINED WHAT WE WERE DOING AND WHAT WE THOUGHT OTHERS SHOULD DO IN SEARCH AND RESCUE FOR REFUGEE BOATS IN DISTRESS AND IN PROVIDING FOR ADDITIONAL REFUGEE PROCESSING CENTERS TO LESSEN IMMEDIATE PRESSURES IN FIRST ASYLUM COUNTRIES. HE URGED THAT ALL PRESENT PRESS AHEAD STRONGLY BOTH FOR A  
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CHANGE IN VIETNAM'S POLICY TOWARD ITS OWN PEOPLE AND FOR A POLITICAL SOLUTION AND AN END OF CONFLICT IN KAMPUCHEA.

(C) FOLLOWING US LEAD, THE CONFEREES AS A BODY MADE A SUBSTANTIAL HUMANITARIAN GESTURE COMMENSURATE WITH THE PRESIDENT'S TOKYO PLEDGE TO DOUBLE OUR REFUGEE INTAKE FROM 7,000 TO 14,000 A MONTH. THE NATIONS OF THE WORLD AGREED TO INCREASE THE NUMBER OF WORLDWIDE RESETTLEMENT PLACES AVAILABLE FOR REFUGEES FROM ROUGHLY 125,000 TO OVER 260,000. AN ADDITIONAL 190 MILLION DOLS WAS PLEDGED TO SUPPORT THE BUDGET OF THE UN HIGH COMMISSIONER FOR REFUGEES JAPAN PLAYED A VITAL ROLE FINANCIALLY, HAVING PLEDGED AN ADDITIONAL AMOUNT OF 50 PERCENT OF THE UNHCR SOUTHEAST ASIA PROGRAM BUDGET. THE PHILIPPINES MADE ANOTHER EXTRAORDINARY GESTURE IN OFFERING A SITE FOR A REFUGEE PROCESSING CENTER TO ACCOMMODATE 50,000 REFUGEES WHICH WILL HELP RELIEVE PRESSURES ON MALAYSIA AND THAILAND.

(C) MUCH REMAINS TO BE DONE NOT ONLY ON THE HUMANITARIAN SIDE BUT ALSO ON THE POLITICAL QUESTION WHETHER VIETNAM CAN BE PERSUADED TO PROVIDE ITS PEOPLE REASONABLE ALTERNATIVES WHICH DO NOT FORCE THEM TO FLEE AND TO REGULARIZE THE FLOW OF THOSE WHO WISH TO LEAVE. WE HAVE NOT YET LEARNED THE

DETAILS OR SIGNIFICANCE OF THE VIETNAMESE INDICATION TO SECRETARY GENERAL WALDHEIM THAT THEY WOULD STOP "ILLEGAL DEPARTURES" FOR A "REASONABLE TIME." WE HAVE RESERVATIONS ABOUT VIETNAM'S INTENTIONS BUT HANOI IS COMING UNDER GROWING PRESSURE FROM WORLD OPINION. WE REMAIN INTERESTED IN THE POSSIBILITIES OF A SECURITY COUNCIL SESSION ON THE OVERALL SITUATION IN INDOCHINA, I.E., INCLUDING THE POSSIBILITY OF A POLITICAL SETTLEMENT IN KAMPUCHEA. WE WILL BE CONSULTING WITH OTHER GOVERNMENTS AND CAREFULLY REVIEWING THE SITUATION IN THE REGION AS WE DECIDE HOW TO PROCEED. VANCE

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INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2540

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SECRET SECTION 01 OF 03 STATE 193402/01

E.O. 12065:GDS 7/25/85 (ROBERTS, SAMUEL)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 860 - JULY 25, 1979

LONDON FOR GLASPIE

PARIS FOR NICHOLAS MURPHY

DOD/ISA FOR RANSOM

OTHER ADDRESSEES FOR CHIEFS OF MISSION

WARNING NOTICE SENSITIVE SOURCES AND METHOD INVOLVED NOT  
RELEASABLE TO FOREIGN NATIONALS

(PARAGRAPHS 1-8 CONFIDENTIAL)

1. BEGIN'S CURRENT ILLNESS INEVITABLY RAISES THE ISSUE OF THE SUCCESSION. WHILE BEGIN MAY WELL BE ABLE TO RETURN TO OFFICE AND THE FULL EXERCISE OF HIS DUTIES, IT IS ALSO NOT IMPOSSIBLE THAT HE MIGHT BE PARTIALLY OR COMPLETELY INCAPACITATED IN THE NEAR FUTURE. IN THAT EVENT, MINISTER OF DEFENSE WEIZMAN HAS THE BEST CHANCE TO EMERGE AS THE SUCCESSOR IN A BITTERLY CONTESTED STRUGGLE.

2. UNDER ISRAELI LAW, THE DEATH OR RESIGNATION OF THE PRIME MINISTER AUTOMATICALLY CONSTITUTES THE RESIGNATION OF THE ENTIRE CABINET. IN THESE CIRCUMSTANCES, HOWEVER, IT WOULD CONTINUE TO SERVE IN A CAREAKER CAPACITY UNTIL A NEW GOVERNMENT CAN BE FORMED. SHOULD BEGIN RESIGN BECAUSE OF ILL-HEALTH, OR SHOULD HE DIE, DEPUTY PRIME MINISTER YADIN WOULD SERVE AS CARETAKER. SHOULD AN INCAPACITATED BEGIN DECLINE TO RESIGN, YADIN WOULD NOMINALLY ACT IN BEGIN'S STEAD. IN THAT CASE, MAJOR POLICY DECISIONS WOULD BE A VIRTUAL IMPOSSIBILITY.

3. IF BEGIN LEAVES THE SCENE, THE MOST IMMEDIATE QUESTION WOULD BE WHETHER THE COALITION COULD REMAIN INTACT, THEREBY OBIVIATING THE NEED FOR NEW ELECTIONS. THE SECOND PRESSING QUESTION WOULD BE THE RESOLUTION OF THE COMPETITION FOR THE SUCCESSION.

4. THE PROSPECTS ARE THAT THE COALITION WOULD SURVIVE FOR A TIME AT LEAST. TENSIONS WITHIN THE COALITION, HOWEVER, HAVE BEEN ENDEMIC. BEGIN HAS BEEN AOLE TO

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CONTAIN THEM THANKS TO HIS UNIQUE STANDING WITHIN HERUT, HIS RELATIONSHIP WITH EHRLICH, AND HIS RESIDUAL CREDIBILITY WITH THE NATIONAL RELIGIOUS PARTY (NRP). ANY SUCCESSOR WOULD HAVE CONSIDERABLE DIFFICULTY IN KEEPING THE COALITION TOGETHER. THERE IS A GREAT DEAL OF HOSTILITY BETWEEN HERUT AND THE LIBERAL PARTY, AND SHARP POLICY DIFFERENCES AS WELL.

5. WITHIN THE NRP, THERE ARE MANY WHO WOULD BE PLEASED TO RETURN TO THE HISTORIC CONNECTION WITH LABOR. EVEN WITHIN THE RANKS OF THOSE WITHIN THE NRP WHO PROMOTED THE ESTABLISHMENT OF THE COALITION WITH THE LIKUD, DISGRUNTLEMENT IS DEEP AND WIDESPREAD.

6. IF BEGIN'S SUCCESSOR WERE UNABLE TO KEEP THE COALITION TOGETHER, NEW ELECTIONS WOULD PROBABLY BE UNAVOIDABLE. THEY WOULD BE LIKELY TO FAVOR LABOR. A NEW LABOR-LED COALITION, HEADED BY PERES, COULD RESULT, PROVIDED THAT PERES WERE ABLE TO PROVIDE MINIMAL SATISFACTION TO THE NRP ON THE ISSUES OF THE WEST BANK AND SETTLEMENTS.

7. IF THE COALITION HUNG TOGETHER, THE KEY QUESTION WOULD BE WEIZMAN'S ABILITY TO SECURE THE SUCCESSION. ALTHOUGH VERY POPULAR WITH THE MAN IN THE STREET, WEIZMAN'S DOVISH STANCE HAS CREATED WIDESPREAD ANTAGONISM WITHIN HERUT. POSSIBLE ALTERNATIVES TO WEIZMAN--MINISTER OF AGRICULTURE SHARON, KNESSET SPEAKER YITZHAK SHAMIR, OR

CHAIRMAN OF THE KNESSET DEFENSE AND FOREIGN AFFAIRS COMMITTEE MOSHE ARENS--ALL HAVE STRIKES AGAINST THEM. NEVERTHELESS, EACH HAS A REASONABLE CHANCE TO SUCCEED.

8. IT IS ALSO POSSIBLE THAT A DARK HORSE WOULD PREVAIL, AS WAS THE CASE WITH THE SUCCESSOR TO LEVI ESHKOL IN 1969. INDEED, A PUBLIC OPINION POLL CONDUCTED SEVERAL WEEKS BEFORE ESHKOL'S DEATH SHOWED THAT LESS THAN 1 PERCENT FAVORED MRS. MEIR, WHO SUCCEEDED HIM.

9. (U) ISRAELI COURT-SETTLEMENT ACTIVITY: AP REPORTED THAT THE ISRAELI SUPREME COURT JULY 24 ORDERED A HALT TO PRELIMINARY WORK ON A NEW JEWISH SETTLEMENT NEAR BETHLEHEM. ARAB FARMERS HAD COMPLAINED TO THE COURT THAT THE MILITARY GOVERNMENT WAS MEASURING 50 ACRES OF LAND FOR EVENTUAL CONSTRUCTION OF A NEW SETTLEMENT CALLED EFRAT. NEWS REPORTS SAID ABOUT 100 ORTHODOX JEWISH FAMILIES, MOSTLY FROM THE US, WERE WAITING TO MOVE INTO EFRAT. RADIO ISRAEL SAID THE ATTORNEY FOR THE GOVERNMENT DID NOT OPPOSE THE INJUNCTION BUT IS AWAITING A DEFINITIVE COURT DECISION ON THE LEGALITY OF SUCH LAND SEIZURES. TWO SIMILAR CASES ARE BEFORE THE SUPREME COURT INVOLVING THE VILLAGE OF SALFIT AND THE JEWISH SETTLEMENT OF ELON MOREH NEAR NABLUS. IN EACH CASE THE MILITARY GOVERNMENT MUST PROVE THAT THE NEW SETTLEMENT IS ESSENTIAL TO ISRAELI SECURITY. IN A LANDMARK DECISION BT

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SECRET SECTION 02 OF 03 STATE 193402/02

EARLIER THIS YEAR, THE COURT RULED THAT THE MILITARY GOVERNMENT HAD THE RIGHT TO REQUISITION PRIVATE LAND FOR CIVILIAN SETTLEMENT IF THE SETTLEMENT CLEARLY SERVED STATE SECURITY. MEANWHILE, REUTE, REPORTED THAT ABOUT 200 BEDOUIN DEMONSTRATED JULY 4 IN JERUSALEM AGAINST WHAT THEY CLAIMED WAS INADEQUATE COMPENSATION FOR GOVERNMENT SEIZURE OF THEIR PASTURE LAND.

10. (U) ISRAEL-PRESS REVIEW: ON JULY 24, THE ISRAELI MEDIA HIGHLIGHTED DEPARTMENT SPOKESMAN HODDING CARTER'S 'STRONGEST CONDEMNATION TO DATE' AND 'EXCEPTIONALLY SHARP REACTION, TO ISRAEL'S AIR ATTACKS AGAINST SOUTH LEBANON. ALSO PROMINENTLY FEATURED IS THE 'OPEN CLASH' BETWEEN WASHINGTON AND JERUSALEM OVER THE STATIONING OF SINAI OBSERVERS. DAVAR'S POLITICAL CORRESPONDENT WRITES THAT 'THE DECISION TO OPPOSE THE STATIONING OF UN OBSERVERS IN THE SINAI... WAS TAKEN AT FOREIGN MINISTER DAYAN'S DEMAND AND IN THE ABSENCE OF DEFENSE MINISTER EZER WEIZMAN. IT REPRESENTS A CHANGE IN THE POSITION PREVIOUSLY ADOPTED BY GOVERNMENT ELEMENTS IN CONTACTS WITH THE UNITED STATES. HOWEVER, AL-HAMISHMAR CITES INFORMED SOURCES SAYING THAT BEGIN AND DAYAN ALREADY MADE ISRAEL'S POSITION CLEAR TO THE US ASSISTANT SECRETARY OF STATE

FOR INTERNATIONAL ORGANIZATIONS THREE MONTHS AGO DURING HIS VISIT TO ISRAEL.

11. (U) WEIZMAN-HASSAN ALI: ISRAELI DEFENSE MINISTER EZER WEIZMAN AND HIS EGYPTIAN COUNTERPART, KAMAL HASSAN ALI, WILL MEET NEXT WEEK IN HAIFA TO DISCUSS JOINT SECURITY ISSUES, ACCORDING TO AN EGYPTIAN DEFENSE MINISTRY ANNOUNCEMENT. THE EGYPTIAN ANNOUNCEMENT ALSO SAID THE TWO MEN WOULD DISCUSS ARRANGEMENTS FOR DEPLOYING A UN FORCE IN THE SINAI, ONCE THE TWO SIDES REACHED AGREEMENT ON THE ISSUE. IT IS ALSO REPORTED THAT GENERAL ALI WILL MAKE AN EXPLORATORY TOUR OF THE WEST BANK AND ARAB JERUSALEM DURING THE VISIT PREPARATORY TO DISCUSSING SECURITY



ARRANGEMENTS DURING THE AUTONOMY NEGOTIATIONS.

12. (U) SADAT-UN-SINAI: SADAT SAID JULY 24 THAT THE US, EGYPT AND ISRAEL WOULD SOON AGREE TO A FORMULA FOR MAINTAINING A UN PRESENCE IN THE SINAI. "I DON'T SEE IT AS A MATTER OF DIFFERENCE AND IT SHOULD NOT BE," SADAT SAID AFTER MEETING WITH VISITING ISRAELI LABOR PARTY LEADER SHIMON PERES.

13. (U) EGYPT-AUTONOMY NEGOTIATIONS: ACCORDING TO CAIRO RADIO, MINISTER OF STATE BUTRUS GHALI HELD A PRESS CONFERENCE IN GENEVA JULY 23, DURING WHICH HE SAID THAT IF AUTONOMY TALKS DO NOT ACHIEVE TANGIBLE RESULTS IN THE NEXT FEW MONTHS, IT WOULD BE NECESSARY TO FIND OTHER DIPLOMATIC MEANS. HE NOTED THAT IN HIS SPEECH IN MONROVIA, PRESIDENT SADAT SAID EGYPT IS PREPARED TO CALL FOR AN INTERNATIONAL CONFERENCE IN AL-ARISH WITH THE PARTICIPATION OF THE UNITED STATES AND THE SOVIET UNION IN ORDER TO REACH A NEW FORMULA FOR SOLVING THE PALESTINE PROBLEM. BUTRUS GHALI WAS REPLYING TO A QUESTION CONCERNING VICE PRESIDENT MUBARAK'S SPEECH THE PREVIOUS DAY IN WHICH HE WARNED OF SERIOUS DIFFICULTIES IF AUTONOMY NEGOTIATIONS DO NOT ACHIEVE SPECIFIC RESULTS BEFORE THE END OF THE YEAR.

14. (C) USUN VOTE-ARAB REACTIONS: IN COMMENTING BEFORE THE SECURITY COUNCIL ON THE VOTE ON UNSC RESOLUTION 452 ON ISRAELI SETTLEMENT IN THE OCCUPIED TERRITORIES KUWAITI REPRESENTATIVE BISHARA CALLED THE US POSITION "DISCOURAGING." HE STATED THAT IT IS A VOTE THAT MAKES "THE MODERATE RADICAL, THE RADICAL INSANE, AND THE INSANE BERSERK IN OUR AREA." HE CLAIMED THAT HE AND OTHER ARAB DELEGATIONS HAD GONE TO GREAT LENGTHS TO TRY TO DRAFT A RESOLUTION THE US WOULD FIND ACCEPTABLE AND CHARGED THAT OUR ABSTENTION WAS DICTATED BY "POWER POLITICS AND WAS 'CALLOUS.'" HE ASSERTED THAT THE US

RARELY VOTED "POSITIVELY" ON MIDDLE EAST ISSUES AT THE UN. SIMILARLY, KING HUSSEIN EXPRESSED TO AMBASSADOR VELIOTES HIS PROFOUND REGRET AND SURPRISE AT OUR ABSTENTION. HE NOTED THAT IT IS IMPOSSIBLE FOR OUR FRIENDS TO UNDERSTAND US FAILURE TO ENDORSE A RESOLUTION WHICH THE ARAB COUNCIL HAS LABORED SO HARD TO MAKE ACCEPTABLE TO US. "OUR ABSTENTION WAS ONLY IN THE AMBASSADOR'S DEFENSE OF THE VOTE."

15. (S) ASSAD-HUSSEIN MEETING: ON JULY 23, KING HUSSEIN GAVE AMBASSADOR VELIOTES A BRIEFING ON HIS MEETING WITH PRESIDENT ASSAD ON JULY 21. HUSSEIN OBSERVED THAT THE

INTERNAL SYRIAN SITUATION WAS NOT QUITE AS BAD AS HE HAD FEARED. THE ALEPPO MASSACRE HAD SHOCKED ASSAD INTO APPRECIATING THE SEVERITY OF HIS DOMESTIC PROBLEMS. HUSSEIN NOTED THAT THE SYRIANS APPEAR CONVINCED THAT THE ISRAELIS, EGYPTIANS AND THE US WERE MANIPULATING THE ISLAMIC EXTREMISTS IN SYRIA. ASSAD'S THEORY WAS THAT THE US WAS TRYING TO 'AWAKEN THE ISLAMIC GIANT' TO CONFRONT SOVIET GAINS IN AFGHANISTAN AND THE HORN OF AFRICA BUT THAT IN IRAN THINGS HAD GOTTEN OUT OF HAND. ASSAD ALSO RAISED WITH HUSSEIN THE ALLEGATION THAT JORDAN IS HARBORING MUSLIM BROTHERHOOD FANATICS. (THE BROTHERHOOD IS LEGAL IN JORDAN.)

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S E C R E T FINAL SECTION OF 23 STATE 193402/23

16. (C) EGYPT-CWA: US MISSION GENEVA REPORTS THAT CONSIDERATION OF AN ECONOMIC COMMITTEE FOR WEST ASIA (ECWA) PROPOSAL TO SUSPEND EGYPT'S MEMBERSHIP HAS BEEN POSTPONED. AT THE SAME TIME, EGYPT'S MEMBERSHIP WAS REAFFIRMED. THE EGYPTIANS ACCEPTED A COMPROMISE RATHER THAN PRESSING FOR A VOTE. HOWEVER, THE US MISSION SAYS THE ISSUE WILL COME UP AGAIN.

17. (U) LEBANON: ISRAEL-INCURSION: AN ISRAELI MILITARY COMMUNIQUE REPORTED THAT AN ISRAELI FORCE ENTERED THE SOUTHERN LEBANESE VILLAGE OF MAJDAL SLIM (IN THE IRISH SECTOR) AND BLEW UP A HOUSE. A MILITARY SPOKESMAN SAID THE HOUSE HAD BEEN USED BY PALESTINIAN GUERRILLAS AS A BASE FOR OPERATIONS AGAINST ISRAELI AND CHRISTIAN VILLAGES. BEIRUT RADIO REPORTS THAT 0130 JULY 24 THE ISRAELI FORCE ENTERED THE TOWN, SEARCHED A NUMBER OF HOUSES, AND DYNAMITED ONE PRIOR TO WITHDRAWING. ISRAELI GROUND FORCES INVADED THE SAME VILLAGE ON JULY 6 AND KILLED SEVERAL MEN.

18. (C/NF) ISRAELI AIR STRIKES-MORE REPORTS: A SOURCE CORRESPONDENT CHECKED HOSPITALS IN THE VICINITY OF THE ISRAELI AIR RAIDS JULY 22. HE REPORTEDLY FOUND THREE PALESTINIANS DEAD, AND 15-18 LEBANESE MEN, WOMEN AND CHILDREN DEAD OR INJURED IN THE ATTACK ON SARAFAND. THE SOURCE SAID THE ATTACK HIT AN AREA FILLED WITH CHRISTIANS ON SUNDAY AFTERNOON PICNICS. ACCORDING TO THE SOURCE, THE BRITISH AMBASSADOR TO LEBANON WATCHED THE ATTACKS ON DAMOUR. TWO ISRAELI PLANES MADE FIVE PASSES. SYRIAN AIRCRAFT ARRIVED AFTER THE ISRAELIS HAD GONE.  
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TO INTSUM COLLECTIVE PRIORITY  
INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2552  
RUEKJCS/DOD/ISA PRIORITY  
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C O N F I D E N T I A L SECTION 01 OF 02 STATE 195945/01

28 Jul 79 5 31 z

E.O. 12065: GDS 7/27/85 (HARRIS, GEORGE)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 862 - JULY 27, 1979

LONDON FOR GLASPIE  
PARIS FOR NICHOLAS MURPHY  
DOD/ISA FOR RANSOM  
OTHER ADDRESSEES FOR CHIEFS OF MISSION

WARNING NOTICE SENSITIVE SOURCES AND METHOD INVOLVED NOT  
RELEASABLE TO FOREIGN NATIONALS

(PARAGRAPHS 1-10 CONFIDENTIAL)

1. ISRAEL'S ECONOMIC PROBLEMS: DISCONTENT WITH MISMANAGEMENT OF ECONOMIC POLICY HAS FLARED TO -A NEW HIGH IN ISRAEL FOLLOWING FAILURE OF A SPECIALLY CONVENED CABINET MEETING LAST WEEK TO TACKLE THE ISSUE OF ELIMINATING CONSUMER SUBSIDIES. THESE SUBSIDIES ARE A MAJOR ELEMENT IN THE SWOLLEN BUDGET DEFICITS-WHICH ARE FUELING ISRAEL'S HYPER-INFLATION. THE ECONOMIC IMPERATIVE OF ELIMINATING OR DRASTICALLY CUTTING THEM IS ACKNOWLEDGED BY ALMOST EVERYONE IN THE COUNTRY; YET THE GOVERNMENT HAS REMAINED PARALYZED BY PARTISAN INFIGHTING AND FEAR OF POLITICAL

REPERCUSSIONS. ALTHOUGH THE IMMEDIATE ISSUE IS SUBSIDIES, THE LEVEL OF PUBLIC OUTRAGE ULTIMATELY IS DUE TO FRUSTRATION WITH THE LACK OF LEADERSHIP IN ECONOMIC POLICY.

2. THE CABINET -MEETING ON JULY 17 AS ONLY THE LATEST IN A SERIES OF ATTEMPTS BY FINANCE MINISTER EHRlich TO COME TO-GRIPS WITH ISRAEL'S ECONOMIC PROBLEMS. EHRlich, HOWEVER, FAILED TO DO HIS HOMEWORK, AND HIS SUPPORT MELTED AWAY EVEN BEFORE THE MEETING BEGAN. AS A RESULT, HE WAS FORCED TO DROP HIS CONCRETE PROPOSALS, AND THE MEETING WAS CONVERTED TO A "THEORETICAL DISCUSSION" OF THE SUBSIDIES ISSUE. IN THE END, THE CABINET DECIDED IN PRINCIPLE TO LET FUEL AND IMPORTED BEEF PRICES RISE BUT REFERRED FURTHER ACTION ON SUBSIDIES IN GENERAL TO A SPECIAL COMMITTEE.

3. DESPITE GALLOPING INFLATION, ISRAELIS AS INDIVIDUALS ARE FARING-WELL. REAL INCOME AND PRIVATE CONSUMPTION CONTINUE TO INCREASE. FULL EMPLOYMENT PREVAILS, WITH LABOR SHORTAGES IN MANY SECTORS. EVEN SO, THE PUBLIC MOOD IS ANXIOUS AND SUSPICIOUS, AND INFLATION RIVALS FOREIGN POLICY AS THE LEADING TOPIC OF PUBLIC CONCERN. AT THE SAME TIME, NO ONE IS PREPARED TO ACCEPT AUSTERITY OR SELF-SACRIFICE. EHRlich HAS TRIED FOR SIX MONTHS TO SELL ANTI-INFLATION PROGRAMS, BUT THE PACKAGE FINALLY ADOPTED IN MAY CONSISTED OF LITTLE MORE THAN COSMETIC ADJUSTMENTS IN THE BUDGET AND SOME CUTS IN INVESTMENT SUBSIDIES.

4. THE ROOT CAUSES OF ISRAEL'S INFLATION ARE EXCESSIVE GOVERNMENT SPENDING--THE BUDGET APPROXIMATES AND SOMETIMES EXCEEDS THE GROSS NATIONAL PRODUCT--AND A POLICY OF MAINTAINING HIGH LEVELS OF PRIVATE CONSUMPTION. THE INFLATION RATE WAS OVER 40 PERCENT LAST YEAR. IT HAS ACCELERATED SHARPLY IN RECENT MONTHS AND IS NEARING 100 PERCENT AS THE DOMESTIC COSTS OF THE SINAI REDEPLOYMENT P-T ADDITIONAL DEMANDS-ON AN ECONOMY IN WHICH NO EXCESS CAPACITY EXISTS.
5. THE PUBLIC SO FAR HAS BEEN LARGELY INSULATED BY A WIDESPREAD SYSTEM OF INDEXATION OF WAGES AND SAVINGS, CONSUMER SUBSIDIES, AND SOCIAL SERVICES. NEVERTHELESS, HYPERINFLATION TENDS TO WIDEN THE GAP BETWEEN PROPERTY HOLDERS AND THE POOR, TO DISCOURAGE CAPITAL INVESTMENT, AND TO INCREASE THE TRADE DEFICIT. ISRAEL'S CURRENT ACCOUNT DEFICIT IS-GROWING RAPIDLY (TO A PROJECTED \$4 BILLION FOR 1979, COMPARED TO \$3.4 BILLION IN 1978 AND \$2.6 BILLION IN 1977).
6. DESPITE THESE PRESSURES THE SHORT-TERMPROSPECTS ARE FOR LITTLE-CHANGE IN POLICY. CAPITAL INFLOWS--NOTABLY US AID--HAVE MORE THAN BALANCED THE CURRENT ACCOUNT DEFICITS. ALTHOUGH FOREIGN DEBT (CURRENTLY NEARING \$13 BILLION) IS PILING UP RAPIDLY, ITS PROFILE AND REPAYMENT TERMS ARE FAVORABLE. REAL GNP REMAINS IN A 6 TO 8 PERCENT GROWTH RANGE. WITH NO IMMEDIATE CRISIS IN SIGHT, IT IS LIKELY THAT POLICY MAKERS AND THE PUBLIC WILL CONTINUE TO MOAN AND GROAN AND TO SNIPE AT ONE ANOTHER BUT TO AVOID TAKING THE STEPS--I.E., SHARP CUTS IN THE GOVERNMENT BUDGET, AND A SUBSTANTIAL REDUCTION IN THE STANDARD OF LIVING--THAT WOULD BE NEEDED.
7. THE POLITICAL IMPLICATIONS OF THE WORSENING INFLATIONARY SITUATION ARE REFLECTED IN DECLINING POLITICAL STRENGTH FOR THE LIKUD AS MEASURED IN PUBLIC OPINION POLLS AND A DROP IN BEGIN'S PUBLIC RATING. (WIDESPREAD PUBLIC DISCONTENT OVER LABOR'S MANAGEMENT OF THE ECONOMY WAS A MAJOR FACTOR IN LABOR'S FALL FROM POWER IN 1977.)
8. DISSENSION BETWEEN HERUT AND THE LIBERALS CONSTITUTES A MAJOR SOURCE OF THE CABINET'S PARALYSIS IN DEALING WITH THE ECONOMIC PROBLEM. HERUT, WHOSE ELECTORAL SUPPORT RESTS ON THE LOWER INCOME, PREDOMINANTLY BLUE COLLAR SEPHARDIC CONSTITUENCY, BRIDLES AT THE PROSPECT OF REMOVING SUBSIDIES OR TAKING OTHER ACTIONS THAT WOULD RUN COUNTER

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TO INTSUM COLLECTIVE PRIORITY

INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2553

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TO THE ECONOMIC INTERESTS OF THIS COMMUNITY.

9. THE POPULIST TONE OF MERUT'S ECONOMIC STANCE IS IN SHARP CONTRAST TO THE FREE-ENTERPRISE APPROACH OF THE LIBERALS. FOR THEIR PART, THE LIBERALS WANT TO ACHIEVE AT LEAST SOME OF THEIR POLICY OBJECTIVES IN THIS GOVERNMENT. THE POLICY CONFLICT WITH MERUT COMES ON TOP OF CONTINUING PATRONAGE DISPUTES--AND EXACERBATES TENSIONS BETWEEN THE TWO PRINCIPAL PARTNERS IN THE LIKUD. IT WILL BE VERY DIFFICULT FOR THIS GOVERNMENT TO AVOID A FURTHER EROSION OF PUBLIC SUPPORT OVER THE ECONOMIC SITUATION IN COMING MONTHS IN VIEW OF THE INSUPERABLE POLITICAL OBSTACLES TO TAKING DECISIVE ECONOMIC STEPS.

10. ISRAEL-HEBRON: THE MILITARY GOVERNMENT HAS ESTABLISHED SEWAGE, ELECTRICITY AND WATER SERVICES TO THE FORMER HADDASAH CLINIC (1929) WHERE SOME 50 WOMEN AND CHILDREN FROM THE JEWISH SETTLEMENT OF KIRYAT ARBA HAVE BEEN SQUATTING FOR THE LAST THREE MONTHS. EMBASSY TEL AVIV COMMENTS THAT THIS REPRESENTS ONE MORE STEP IN THE NOW FAMILIAR PROCESS WHEREBY NOMINAL OFFICIAL OPPOSITION TO GUSH EMUNIM SQUATTERS IS GRADUALLY ERODED TO THE POINT WHERE WHAT BEGAN AS ILLEGAL "DEFIANCE" OF THE GOVERNMENT EVENTUALLY RECEIVES

OUTRIGHT LEGITIMACY. THE EMBASSY BELIEVES IT IS ONLY A MATTER OF TIME BEFORE ISRAELIS ARE OFFICIALLY PERMITTED TO LIVE IN THE HEART OF HEBRON. IF THIS PROVES TRUE, WE BELIEVE IT MAY ESTABLISH A PRECEDENT THAT WILL BE UTILIZED BY THE GUSH ELSEWHERE, SUCH AS IN NABLUS.

(PARAGRAPHS 11-15 UNCLASSIFIED)

11. ISRAEL-SETTLEMENTS: ISRAELI MEDIA JULY 26 FEATURED A BLUEPRINT SUBMITTED BY THE CO-CHAIRMAN OF THE WORLD ZIONIST ORGANIZATION'S SETTLEMENT DEPARTMENT TO ENCIRCLE NABLUS WITH ABOUT 16 JEWISH SETTLEMENTS WITHIN THE COMING YEAR. THE CO-CHAIRMAN SAID HIS PLAN HAD NOT BEEN FORMALLY SUBMITTED TO AUTHORITIES.

12. BEGIN'S HEALTH: ISRAELI RADIO REPORTED JULY 26 THAT BEGIN WILL REMAIN HOSPITALIZED IN THE NEUROLOGICAL WARD OF HADDASAH HOSPITAL FOR AN UNDETERMINED PERIOD. (DOCTORS HAD PREVIOUSLY SAID 10 DAYS TO TWO WEEKS HOSPITALIZATION WAS NEEDED.) VISITORS ARE REPORTEDLY RESTRICTED TO FAMILY AND CLOSE AIDES DUE TO THE PRIME MINISTER'S NEED FOR ABSOLUTE REST.

13. US-JERUSALEM PROPOSALS: NEWSPAPERS IN JORDAN AND SAUDI ARABIA HAVE REPORTED THAT A US ENVOY MAY TOUR ARAB CAPITALS TO PRESENT US PROPOSALS ON JERUSALEM. THE ARAB NEWS (SAUDI ARABIAN) SAID AMBASSADOR STRAUSS HINTED AT THIS POSSIBILITY JULY 23. THE JORDANIAN PAPER, AL-RAY, SAID "OFFICIAL SOURCES" IN WASHINGTON SAY THE US IS NOW CONVINCED THE PLO SHOULD TAKE PART IN THE NEXT STAGE OF THE NEGOTIATIONS AND THAT CON-S;TATIONS ARE UNDERWAY AMONG THE US- ISRAEL AND EGYPT.

14. SADAT-VISIT TO ISRAEL: NEWS REPORTS FROM CAIRO SAY SADAT'S VISIT TO HAIFA HAS BEEN POSTPONED UNTIL SEPTEMBER 5. THE VISIT WAS ORIGINALLY SCHEDULED FOR THE END OF AUGUST, THE TIME OF THE HOLIDAYS FOLLOWING RAMADAN, THE MONTH OF FASTING.

15. -ZUHAIR MUHSIN: SAIQA LEADER ZUHAIR MUHSIN DIED IN A FRENCH HOSPITAL YESTERDAY AFTER DOCTORS DETERMINED THAT HE COULD NOT SURVIVE AND TURNED OFF LIFE SUPPORT MACHINES. MUHSIN WAS SHOT IN THE HEAD JULY 25 BY UNKNOWN ASSAILANTS. THE-PLO CONTINUES TO BLAME ISRAEL-FOR THE SHOOTING AND HAS VOWED-REVENGE. -A LEFTIST ARAB NEWSPAPER-SUGGESTED COOPERATION BETWEEN ISRAELI AND EGYPTIAN INTELLIGENCE IN MUHSIN'S DEATH. THERE WAS NO MENTION OF POSSIBLE EGYPTIAN INVOLVEMENT IN OFFICIAL PLO STATEMENTS YESTERDAY. THE EGYPTIAN GOVERNMENT,;WHICH SOME BELIEVE IS BEHIND THE SHOOTING IN

REVENGE FOR SAIQA'S ANTI-FGYPTIAN OPERATIONS, ISSUED A STATEMENT OF REGRET.

15. (C) PALESTINIAN FIGHTING: DEFENSE ATTACHE AND PRESS REPORTS SAID THERE WAS SOME FIGHTING BETWEEN SAIQA AND OTHER PALESTINIAN GROUPS IN CAMPS SOUTH OF BEIRUT AFTER THE NEWS BROKE OF THE SHOOTING OF SAIQA LEADER ZUHAIR MUHSIN IN FRANCE. AT LEAST ONE PERSON WAS REPORTED KILLED.

17. (C) LAF DEPLOYMENT: LEBANESE ARMY UNITS TOOK ANOTHER SMALL STEP TOWARD WIDER AUTHORITY IN THE COUNTRY, DEPLOYING MORE SOLDIERS TO THE UPPER METN JULY 25, ACCORDING TO DEFENSE ATTACHE SOURCES AND PRESS REPORTS. THE MOVE IS IMPORTANT PSYCHOLOGICALLY, EMBASSY BEIRUT SAYS, BECAUSE THE AREA HAS BEEN TENSE-IN RECENT MONTHS. HOWEVER, CHRISTIAN RIGHTISTS, LEBANESE LEFTISTS AND SYRIAN TROOPS HAVE NOT WITHDRAWN AND THE TOTAL LAF STRENGTH IN THE AREA IS ONLY 65 MEN.

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TO INTSUM COLLECTIVE PRIORITY  
INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2574  
RUEKJCS/DOD/ISA WASHDC PRIORITY  
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SECRET SECTION 01 OF 02 STATE 198746/01  
E.O. 12865 JDS P/1/85 (MONTVILLE JOSEPH V.)

TAGS: EG, IS, PINS

SUBJECT: INTSUM 865 - AUGUST 1, 1979

LONDON FOR CLASPIE  
PARIS FOR NICHOLAS MURPHY  
DOD/ISA FOR WANSOM  
OTHER ADDRESSEES FOR CHIEF OF MISSION

REFRIG NOTICE SENSITIVE SOURCES AND METHODS INVOLVED  
NOT PREPARABLE TO FOREIGN NATIONALS--NOT RELEASABLE TO  
CONTRACTORS OR CONTRACTOR/CONSULTANTS

(PARAGRAPHS 1-3 S/NP/NC)

1. JAPAN-MIDDLE EAST: TRADE MINISTER'S TRIP: THE VISIT  
OF JAPAN'S MINISTERS OF INTERNATIONAL TRADE AND INDUSTRY  
ESAKI TO THE MIDDLE EAST IN JULY BROUGHT FEW NEW COMMIT-  
MENTS FOR OIL, ACCORDING TO SEVERAL JAPANESE SOURCES.  
INSTEAD, SOME ARAB OFFICIALS BERATED ESAKI OVER JAPAN'S  
SUPPORT OF US INITIATIVES IN THE MIDDLE EAST, PARTICULARLY  
THE EGYPT-ISRAEL PEACE TREATY, AND WARNED TOKYO AGAINST  
INCREASING AID TO EGYPT.

2. AS NOTED IN A CIA ANALYSIS, IN SAUDI ARABIA AND KUWAIT,  
ESAKI WAS UNABLE EVEN TO BEGIN NEGOTIATIONS FOR BILATERAL  
OIL DEALS--THE PRINCIPAL PURPOSE OF HIS TRIP--BECAUSE  
OFFICIALS REFUSED TO DISCUSS OIL SUPPLIES. ESAKI FOUND THE  
KUWAITIS PARTICULARLY INCENSED OVER JAPAN'S SUPPORT OF THE  
PEACE SETTLEMENT, AND HIS TALKS WITH THEM CONSISTED  
PRIMARILY OF KUWAITI CRITICISMS OF TOKYO'S MIDDLE EAST  
POLICY. HE DID SECURE AN INCREASE OF 2 MILLION TONS OF  
OIL FROM IPAC FOR 1982 AND REASSURANCE FROM THE UNITED  
ARAB EMIRATES THAT TOKYO WOULD RECEIVE A FAIR SHARE OF A  
POST-1982 PRODUCTION INCREASE.

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3. ESAKI REPORTEDLY TOLD PRIME MINISTER OHIRA THAT JAPAN MUST FORMULATE A MORE REALISTIC POLICY TOWARD THE MIDDLE EAST. OHIRA WAS SURPRISED BY THE RECEPTION ESAKI RECEIVED FROM ARAB OFFICIALS AND IS CONSIDERING A VISIT TO THE MIDDLE EAST HIMSELF.

4. (S) IN VIEW OF ITS DEPENDENCE ON THE MIDDLE EAST FOR ABOUT 80 PERCENT OF ITS OIL NEEDS, JAPAN WILL CAREFULLY CONSIDER ARAB CONCERNS ON MIDDLE EAST ISSUES, INCLUDING JAPANESE AID TO EGYPT. JAPANESE OFFICIALS, AWARE OF THE SENSITIVITY OF THIS QUESTION, HAD PREVIOUSLY CONSIDERED PROVIDING MORE AID TO EGYPT IN THE CONTEXT OF A REGION-WIDE INCREASE IN ASSISTANCE.

5. (S) NORTH YEMEN-SOUTH YEMEN: RISING TENSIONS: THE FOUR-MONTH PERIOD TO COMPLETE A DRAFT CONSTITUTION, AS ENVISIONED LAST MARCH IN THE UNITY DECLARATION BETWEEN NORTH AND SOUTH YEMEN, EXPIRED JULY 30 WITH LITTLE PROGRESS ACHIEVED. THE FRAGILE REGIME IN NORTH YEMEN, WHICH HAS BEEN STALLING THE NEGOTIATIONS, IS CONCERNED THAT SOUTH YEMEN MAY SOON ATTEMPT AGAIN TO USE FORCE TO UNITE THE TWO STATES.

6. (S) A CIA ANALYSIS COMMENTS AS FOLLOWS: AT A MINIMUM, SOUTH YEMEN SEEMS CERTAIN TO ENCOURAGE THE ADEN-BASED NATIONAL DEMOCRATIC FRONT TO INCREASE ITS EFFORTS TO SUBVERT THE GOVERNMENT OF NORTH YEMENI PRESIDENT SALIB. THE POLITICAL COSTS TO SOUTH YEMEN WOULD BE SIGNIFICANT IF IT RESUMED FIGHTING ON THE SCALE OF ITS EFFORTS LAST FEBRUARY. IRAQ, SAUDI ARABIA, AND SYRIA WOULD OPPOSE SOUTH YEMEN POLITICALLY, AND IRAQ MIGHT INTERVENE MILITARILY ON NORTH YEMEN'S BEHALF. ADEN COULD NOT BE CERTAIN HOW THE US WOULD REACT, AND ITS OWN ALLY, THE USSR, MIGHT OBJECT. THE SOVIETS, CONCERNED ABOUT PASSAGE OF THE GULF LI TREATY, DO NOT WANT A CONFRONTATION WITH THE US THAT A RENEWED YEMENI WAR COULD PORTEND.

7. (U) ISRAEL-EGYPT: THE ISRAELI PRESS JULY 31 REPORTED THAT DAYAN GAVE BEGIN A LIST OF ALLEGED EGYPTIAN VIOLATIONS OF THE PEACE TREATY IN REGARD TO AL-AHISH. THESE INCLUDE OPERATION OF THE AL-AHISH AIRPORT BY MILITARY PERSONNEL, INTRODUCING RADAR INTO THE AREA AND STATIONING SOLDIERS OUTSIDE AGREED BOUNDARIES. SHARON WAS QUOTED AS SAYING HE WOULD DEMAND THAT HIS COLLEAGUES IN THE ISRAELI CABINET TAKE A FIRM LINE ON THESE VIOLATIONS. DEFENSE MINISTER ARI, WHILE IN ISRAEL, PUBLICLY DENIED THE ALLEGATIONS.

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8. (C) ISRAEL-WEST BANK MAYORS: AN ISRAELI OFFICIAL TOLD EMBASSY TEL AVIV THAT RAMALLAH MAYOR KHALAF AND HEBRON MAYOR QAWASIMA HAVE RECEIVED PERMISSION TO TRAVEL TO THE US. NO OPPOSITION IS EXPECTED TO THE TRAVEL REQUEST OF HALHUL MAYOR MILHIMI; HOWEVER, RESTRICTIONS REMAIN ON NABLUS MAYOR SHAKA AND IT IS NOT CLEAR THEY WILL BE LISTED.

9. (C) ISRAELI PRESS-US: ISRAELI-US RELATIONS WERE THE THEME OF SEVERAL ARTICLES IN THE ISRAELI PRESS JULY 31. A DAVAR COLUMNIST SAID HE IS INCREASINGLY DABBLED BY THE "QUARRELSOME AND IRRITANT NATURE" OF THE RELATIONS LATELY. HE WONDERED IF THE HEBREW LANGUAGE

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U.S. GOVERNMENT PRINTING OFFICE: 1977-211-212

"IS REALLY SO POOR" THAT IT LACKS MORE POLITE WORDS TO DESCRIBE THE US POSITION ON UN FORCES. AN AL HANISHMAR WRITER SAID DAYAN USED VERY STRONG TERMS TO DESCRIBE THE US CONDUCT IN THE DISCUSSION OF A UN FORCE. DAYAN REPORTEDLY CLAIMED HE WAS MADE A "LAUGHING STOCK." A HA'ARETZ COLUMNIST SAID THE UN FORCES DISPUTE IS PART OF THE "GENERAL SQUEZZE" THE US IS PUTTING ON ISRAEL BECAUSE OF THE LATTER'S SETTLEMENTS POLICY.

10. (U) DAYAN-UN FORCE: HA'ARETZ REPORTER UZI BENZIMAN JULY 31 SAID DAYAN PROPOSED ESTABLISHMENT OF A US MILITARY FORCE IN THE SINAI AS A SUBSTITUTE FOR UNEF. SYMBOLIC ISRAELI AND EGYPTIAN UNITS WOULD BE INCORPORATED INTO THE FORCE, THE ARTICLE SAID. "SENIOR SOURCES" WERE SAID TO HAVE EMPHASIZED THAT DAYAN DOES NOT INTEND TO COMPROMISE WITH THE US OVER STATIONING OF UN FORCES IN THE AREA.

11. (U) ARAB DEMONSTRATIONS-NEGEV BASES: NEWS REPORTS OF JULY 30 REPORTED SEVERAL HUNDRED ISRAELI ARABS DEMONSTRATED NEAR THE KNESSET TO PROTEST A PROPOSED LAW TO ALLOW THE GOVERNMENT TO SEIZE LAND FOR NEW AIR BASES IN THE NEGEV. THE LAW REPORTEDLY WOULD NOT PERMIT NEGOTIATION FOR COMPENSATION WITH THE BEDOUIN LANDOWNERS.

12. (U) BEGIN-HEALTH: JERUSALEM RADIO JULY 31 SAID BEGIN'S CONDITION IS IMPROVING; HE MAY BE DISCHARGED FROM THE HOSPITAL LATER THIS WEEK.

13. (U) ISRAEL-SINAI: REUTER REPORTED JULY 31 THAT RESIDENTS OF THE SINAI TOWN OF YAMIT THREATENED TO BURN OR DESTROY BUILDINGS IN A CAMPAIGN TO WIN INCREASED COMPENSATION FROM THE GOVERNMENT FOR ABANDONING THE TOWN THREE YEARS FROM NOW. THE SETTLERS WERE DEMANDING THAT DEPUTY PRIME MINISTER YADIN MEET WITH THEM.

14. (U) ARAB PRESS-STRAUSS STATEMENTS: REFERRING TO AMERICAN SENATOR STRAUSS' RECENT US NEWS AND WORLD REPORT

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INTERVIEW, THE JORDAN TIMES JULY 31 SAID "IT IS...  
LATE TO START UNDOING THE DAMAGE WHICH THE CARTER  
ADMINISTRATION'S NAIVETE... HAS BROUGHT. AMBASSADOR  
SPINAUSE'S "SUDDEN AWARENESS" OF THE NEED FOR BROADER  
ARAB PARTICIPATION LEADS THE PAPER TO CONCLUDE THAT A  
NEW BEGINNING MUST BE INITIATED." A KUWAITI PAPER SAID  
THE REMARKS ABOUT POSSIBLE PARTICIPATION OF MODERATE  
PALESTINIANS SIGNALLED "A WAR OF NERVES AGAINST THE PLO...."

12. (U) SYRIANS-CHRISTIANS: REUTER REPORTED HEAVY  
FIGHTING BETWEEN CHRISTIANS AND SYRIANS IN BEIRUT DURING  
THE NIGHT OF JULY 30-31. THE FIGHTING THEN FADED INTO  
SNIPER FIRE. THE KILLING OF A DOCKWORKER AT THE BEIRUT  
PORT APPEARS TO HAVE TOUCHED OFF THE TROUBLE. CHRISTOPHER

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C O N F I D E N T I A L SECTION 01 OF 03 STATE 213971/01  
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E.O. 12065 GDS- 8/15/85 (MONTVILLE, JOSEPH V.)  
TAGS: EG, IS, PINR CHG  
SUBJECT: INTSUM 875 - AUGUST 15, 1979 CHROM  
LONDON FOR GLASPIE  
PARIS FOR NICHOLAS MURPHY ECON  
DOD/ISA FOR RANSOM RF  
OTHER ADDRESSEES FOR CHIEFS OF MISSION

ARMING NOTICE SENSITIVE SOURCES AND METHODS INVOLVED  
NOT RELEASABLE TO FOREIGN NATIONALS

(PARAGRAPHS 1-6 CONFIDENTIAL)

1. ISRAELI PERCEPTIONS OF US POLICY: VARIOUS DEVELOPMENTS  
IN RECENT WEEKS HAVE REAWAKENED ISRAELI SUSPICIONS OF  
US INTENTIONS. THESE SUSPICIONS CENTER ON TWO THEMES:

(A) THE US IS MOVING TO INJECT THE PLO INTO THE  
AUTONOMY NEGOTIATIONS; AND

(B) THE US IS TRYING TO PROMOTE AN AUTONOMY ARRANGEMENT  
WHICH, IN DUE COURSE, WILL TRANSFORM ITSELF INTO AN  
INDEPENDENT PALESTINIAN STATE.

DAYAN'S ACCUSATION ON AUGUST 7 THAT THE US, UNDER THE  
GOAD OF SAUDI OIL PRESSURE, FAVORS A MORE EXTREME POLICY  
THAN EGYPT CONSTITUTES AN EXPLICIT STATEMENT OF A LONG-  
HELD PERCEPTION AMONG THE ISRAELI POLITICAL ELITE.

2. THE CURRENT CRITICISM OF THE US BY SENIOR ISRAELI  
OFFICIALS AND OPPOSITION LEADERS PLACES THE US-ISRAELI  
RELATIONSHIP UNDER UNUSUAL STRAIN. GOVERNMENTS IN ISRAEL  
GENERALLY DENY THE EXISTENCE OF SERIOUS DIFFICULTIES  
WITH THE US. INDEED, THE ABILITY TO MAINTAIN GOOD RELA-  
TIONS WITH THE US IS A CRITERION OF THE CABINET'S  
EFFECTIVENESS. THUS DAYAN'S PUBLIC CHARGES REVEAL A  
DEPTH OF CONCERN THAT WILL MAKE THE ISRAELIS PARTICULARLY  
WARD TO HANDLE IN COMING WEEKS.

3. CONCERN ABOUT THE COURSE OF US POLICY IS FOUND ACROSS ISRAELI POLITICAL ELITE REGARD THE ESTABLISHMENT OF AN INDEPENDENT PALESTINIAN STATE AS FATAL TO ISRAEL. EVEN POLITICALLY SOPHISTICATED ISRAELIS SEE IN THE PLO AN ORGANIZATION DEDICATED TO THE ULTIMATE DESTRUCTION OF ISRAEL. IN THEIR VIEW, THE TRIUMPH OF A "MODERATE" PLO FACTION WOULD LEAD ONLY TO A MORE CLEVER, COVERT STRUGGLE AGAINST ISRAEL.

4. THE PERCEPTION OF ISRAELI MODERATES OF THE DIRECTION OF US POLICY AND THE PROPER RESPONSE FOR ISRAEL APPEARED RECENTLY IN AN ANALYTICAL NEWSPAPER ARTICLE BY FORMER PRIME MINISTER RABIN. RABIN WROTE THAT IT WAS BECOMING INCREASINGLY CLEAR THAT ISRAEL WAS FACING AN EGYPTIAN-US FRONT. THIS AXIS WAS STRIVING TO SECURE A COMPREHENSIVE PEACE BASED ON AN ISRAELI WITHDRAWAL TO THE PRE-1967 LINES AND THE ESTABLISHMENT OF A PALESTINIAN STATE IN THE WEST BANK AND GAZA. RABIN DESCRIBED EGYPT AS MODERATE AT THIS STAGE BECAUSE IT WAS RECEIVING TERRITORIES FROM ISRAEL BUT HAD NOT YET BEEN REQUIRED TO NORMALIZE RELATIONS. THE US, MEANWHILE, "CONSTITUTES THE ELEMENT PUSHING TOWARD TURNING THE AUTONOMY NEGOTIATIONS INTO A LEVER FOR THE ESTABLISHMENT OF THE NUCLEUS OF A PALESTINIAN STATE." US STATEMENTS, IN RABIN'S VIEW, WERE DESIGNED TO TEST THE ACCEPTABILITY OF THIS GOAL TO US PUBLIC OPINION.

5. RABIN, WHO HAS LONG BELIEVED THAT THE PEACE PROCESS WITH EGYPT WILL FREEZE WHEN IT BECOMES CLEAR THAT AGREEMENT OVER AUTONOMY IS IMPOSSIBLE, CALLED ON ISRAEL TO WORK ON US PUBLIC OPINION. HE ASSESSED THE SETTLEMENT ISSUE AS "THE LEVER WHICH THE CARTER ADMINISTRATION IS EMPLOYING TO ERODE THE ISRAELI POSITION." TO COMBAT THIS PRESSURE, RABIN SUGGESTED AN UNANNOUNCED, TEMPORARY SUSPENSION OF SETTLEMENT CONSTRUCTION IN THE WEST BANK, WHILE CAMPAIGNING IN THE US AGAINST "THE CARTER ADMINISTRATION'S TREND TOWARD ESTABLISHING AN ARAFAT-PALESTINIAN STATE."

6. THE ISRAELIS IN COMING DAYS AND WEEKS, WILL GIVE GREATER EMPHASIS TO US POSITIONS IN THE UN AND IN THE AUTONOMY TALKS THAN TO ASSURANCES FROM WASHINGTON. A US FAILURE TO BLOCK MODIFICATION OF 242 OR THE ADOPTION OF A COMPLEMENTARY RESOLUTION DEALING WITH THE PALESTINIAN ISSUE WOULD BE REGARDED AS CONFIRMING THEIR WORST FEARS. AND IN THE AUTONOMY NEGOTIATIONS ISRAEL WILL BE PARTICULARLY UPSET IF THE US TRIES TO NEGOTIATE PROVISIONS THAT WOULD ALTER THE NARROW, ADMINISTRATIVE CONCEPT OF THE AUTONOMY THE ISRAELIS FAVOR.

7. (C/NF) ISRAELI WEST BANK SECURITY: OUR DEFENSE ATTACHE IN TEL AVIV COMMENTS THAT THE ISRAELI DEFENSE FORCE (IDF) APPEARS TO BE MAKING A DETERMINED EFFORT TO INSTITUTIONALIZE THE ROLE OF SETTLEMENTS IN ITS TERRITORIAL DEFENSE SYSTEM. THIS HAS BEEN STRESSED IN RECENT BRIEFINGS BY CHIEF OF STAFF EITAN. THE IDF IS ASSIGNING

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C O N F I D E N T I A L SECTION 02 OF 03 STATE 213071/02

FIRST LINE RESERVISTS TO STAY IN THE SETTLEMENTS AND FIGHT. MOREOVER, THE REGULAR FORCE DEPLOYMENT ON THE WEST BANK HAS RISEN DRAMATICALLY IN THE LAST THREE MONTHS. THE DEFENSE ATTACHE CONCLUDES THAT FROM A STRICTLY MILITARY VIEWPOINT THE MARGINAL PAYOFF GAINED FROM ACTIVE USE OF THE SETTLEMENTS FOR TERRITORIAL DEFENSE IS NOT WORTH THE COST SO LONG AS REGULAR RESERVE FORCES CONTINUE TO OCCUPY THE AREA.

9. (U) ISRAEL-AMBASSADOR YOUNG: JERUSALEM RADIO AUGUST 14 ANNOUNCED THE ISRAELI GOVERNMENT'S PROTEST TO THE US OVER AMBASSADOR YOUNG'S MEETING WITH THE PLO OBSERVER AT THE UN. "THE ISRAELI CABINET SAYS THAT THE MEETING CONTRADICTED THE US ADMINISTRATION'S COMMITMENTS AND ITS REPEATED DECLARATIONS THAT IT WOULD NOT RECOGNIZE THE PLO OR NEGOTIATE WITH IT AS LONG AS THE PLO DOES NOT RECOGNIZE ISRAEL'S RIGHT TO EXIST...AND ACCEPT RESOLUTIONS 242 AND 338," THE REPORT SAID. THE BROADCAST ALSO

REPORTED A REUTER STORY WHICH SAID THAT THE PLO OBSERVER AT THE UN HAD SAID ONLY "NICETIES" WERE EXCHANGED DURING THE MEETING AND THAT AMBASSADOR YOUNG HAD REFUSED TO DISCUSS THE PALESTINIAN PROBLEM IN ALL THEIR MEETINGS.

MOST ISRAELI PAPERS CARRIED ACCOUNTS OF THE MEETING. A HAARIV EDITORIAL SAID THE STORY OF THE MEETING "CALLS TO MIND A FAIRYTALE DESERVING OF A CHILDREN'S LITERARY PRIZE." THE ITEM GOES ON TO EXPRESS CONSIDERABLE CENSURE ABOUT THE US CLAIM THAT US POLICY ON THE PLO REMAINS UNCHANGED.

9. (U) ISRAELI PRESS-AMBASSADOR STRAUSS: AN ISRAELI TV CORRESPONDENT SAID AUGUST 14 THAT AMBASSADOR STRAUSS IS BEGINNING TO PREPARE THE GROUND FOR HIS MIDDLE EAST VISIT. THE AMBASSADOR'S ACTIONS "WILL BE AINED AT GIVING THE PALESTINIANS A SAY IN THE DETERMINATION OF THEIR FUTURE." THE AMBASSADOR'S RECENT REMARKS ON THE MIDDLE EAST SOUNDED "UNEQUIVOCAL, DETERMINED, RESOLVED AND UNCOMPROMISING AND THOSE SOUNDS" WILL BE HEARD IN ISRAEL THIS WEEK, HE SAID. AN ISRAELI RADIO CORRESPONDENT SAID AMBASSADOR STRAUSS WILL MAKE IT CLEAR THAT DESPITE "THE SOOTHING STATEMENTS EMANATING FROM WASHINGTON" THE US WILL TRY TO CHANGE 242 BY ADDING A STATEMENT OF THE LEGITIMATE RIGHTS OF THE PALESTINIANS. THE AMBASSADOR'S ARRIVAL WILL SPEED UP DAYAN'S RETURN TO THE "DRIVER'S SEAT IN THE AUTONOMY TALKS," THE BROADCAST SAID. A DAVAR CORRESPONDENT SAID AMBASSADOR STRAUSS WILL BRING A DRAFT RESOLUTION ON THE PALESTINIANS. A DAVAR EDITORIAL WARNED THAT AS EUROPEAN COUNTRIES AND THE US CHANGE THEIR ATTITUDES TOWARD THE PLO, ISRAEL MUST GET READY FOR A POSSIBLE CHANGE IN THE PLO POSITION.

10. (U) ISRAEL-LIKUD-LABOR: REUTER REPORTED AUGUST 14 THAT AN ISRAELI OPINION POLL PUBLISHED AUGUST 14 SAID THAT IF ELECTIONS WERE HELD NOW, THE LIKUD WOULD LOSE TO LABOR. THE POLL, TAKEN FOR THE JERUSALEM POST, SAID THAT IN PRESENT PUBLIC OPINION LIKUD WOULD GET 55 OF THE KNESSET'S 120 SEATS (IT NOW HAS 43) AND LABOR WOULD WIN 40 SEATS (IT NOW HAS 32). THE REPORT SAID THAT DESPITE THE SUCCESSES OF THE BEGIN GOVERNMENT IN ACHIEVING A PEACE TREATY, IT HAS LOST SUPPORT BECAUSE OF AN INFLATION RATE EXPECTED TO REACH 100 PERCENT THIS YEAR.

11. (U) WEST BANK-MAYOR'S ACCUSATIONS: THE MAYOR OF RAMALLAH, KARIM KHALAF, HAS ACCUSED ISRAEL OF BLOWING UP 20,000 HOUSES SINCE IT OCCUPIED THE WEST BANK IN 1967. ACCORDING TO REUTER, KHALAF TOLD A LEBANESE MAGAZINE THAT THIS FIGURE WAS INCLUDED IN A SURVEY HE WILL PRESENT TO TWO PALESTINIAN CONFERENCES ON PALESTINIAN AFFAIRS SCHEDULED TO BE HELD IN WASHINGTON (IN AUGUST AND SEPTEMBER). KHALAF ALSO CLAIMED:

(A) THAT 23 PERCENT OF WEST BANK LAND HAD BEEN CONFISCATED BY THE ISRAELIS;

(B) THAT THE ISRAELIS HAD EXPELLED 1,145 PALESTINIANS FROM THE WEST BANK; AND

(C) THAT THERE WERE ABOUT 7,000 ARAB PRISONERS IN ISRAEL.

12. (U) SOUTH LEBANON-SITUATION REPORT: SEVERAL VILLAGES IN THE TYRE DISTRICT CAME UNDER ARTILLERY FIRE FROM THE ISRAELIS ON AUGUST 13 AND TYRE ITSELF WAS BOMBED BY 175-MM GUNS, ACCORDING TO BEIRUT RADIO.

REUTER REPORTS THAT PALESTINIAN GROUPS HAD TAKEN THREE MORE VILLAGERS HOSTAGE (THEY HAD TAKEN THREE THE PREVIOUS DAY) FROM HADDAD'S ENCLAVE TO EXCHANGE FOR TWO OF THEIR FIGHTERS THEY CLAIM HADDAD IS HOLDING. HADDAD REFUSED TO COMPLAIN TO RED CROSS OR UN OFFICIALS THAT HE WAS HOLDING THEM.

13. (U) BEIRUT-CLASHES: THE FIGHTING WHICH OCCURRED TWO DAYS AGO IN BEIRUT AREA BETWEEN THE LEBANESE ARMY AND PHALANGIST MILITIA HAS NOW SPREAD TO INCLUDE SYRIAN FORCES STATIONED IN LEBANON.

AP REPORTS THAT AUGUST 14 CIVILIAN TRAFFIC IN PARIS

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OF BEIRUT WAS CONTAINED, THE BANKING AREA (IN CENTRAL BEIRUT) WAS DESERTED, MILITIAMEN WERE FORTIFYING THEIR POSITIONS, AND WORKERS HAD TO FLEE THE PORT AREA. AP CLAIMS THE SYRIANS HELPED HALT THE FIGHTING BETWEEN THE LAF AND THE PHALANGE, BUT THAT AUGUST 13 THE PHALANGISTS LOWERED THEIR ANTI-AIRCRAFT GUNS AND FIRED INTO WEST BEIRUT. THE SYRIANS REPLIED WITH ARTILLERY, MORTARS AND MACHINE GUNS.

14. (C/NF) ISRAEL-LEBANON: ISRAEL APPEARS TO HAVE SOMEWHAT REINFORCED ITS ARTILLERY UNITS IN THE EASTERN SECTION OF ITS BORDER WITH LEBANON. RECENTLY ONLY ONE BATTERY OF M109 155MM GUNS HAS BEEN LOCATED IN THIS AREA, BUT ON AUGUST 13, IN A ROAD RECONNAISSANCE OF THE BORDER, TWO AND POSSIBLY THREE BATTERIES WERE IDENTIFIED BY DEFENSE ATTACHE PERSONNEL. WHILE NOT A DRAMATIC INCREASE, THE DEPLOYMENT OF UP TO A BATTALION OF M109 DOES INCREASE ISRAEL'S ABILITY TO PROVIDE FIRE SUPPORT TO ITS OWN OR CHRISTIAN FORCES OPERATING AGAINST THE PALESTINIANS. VANCE

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CONFIDENTIAL SECTION 01 OF 02 STATE 215873/01

POL

E.O. 12065 GDS 8/17/85 (MONTVILLE, JOSEPH V.)

CHG

TAGS:EG, IS, PINR

RF

SUBJECT:INTSUM 677 - AUGUST 17, 1979

CHRON

LONDON FOR GLASPIE

PARIS FOR NICHOLAS MURPHY

DOD/ISA FOR RANSOM

OTHER ADDRESSEES; FOR CHIEFS OF MISSION

(PARAGRAPHS 1-5 CONFIDENTIAL)

1. THE CURRENT STATE OF ISRAELI POLITICS: THE BEGIN CABINET IS IN DISARRAY. THE SHARP CONFLICTS OVER POLICY AND PERSONALITY ARE REINFORCED BY OTHER FACTORS WHICH UNDERMINE THE CABINET'S AUTHORITY AND ITS ABILITY TO CONDUCT NEGOTIATIONS. THESE INCLUDE:

(A) THE FRAGILE HEALTH OF BEGIN AND DAYAN, THE TWO PRINCIPAL FOREIGN POLICY DECISION-MAKERS;

(B) CABINET PARALYSIS IN DEALING WITH THE HIGH RATE OF INFLATION;

(C) THE VIRTUAL COLLAPSE OF THE LIBERAL PARTY, ONE OF THE LIKUD'S TWO PRIMARY COMPONENTS; AND

(D) THE BITTER CONTROVERSY OVER SETTLEMENTS.

ALSO OF CENTRAL IMPORTANCE IS THE GROWING STRENGTH OF THE LABOR PARTY AND THE INCREASING DISCONTENT OF THE NATIONAL RELIGIOUS PARTY (NRP) WITH THE LIKUD. INDEED, THE POSSIBILITY THAT THE GOVERNMENT MIGHT SODDENLY BE DISMISSED BY THE KNESSET CANNOT BE RULED OUT.

2. AGAINST THIS BACKGROUND, THE CABINET CAN BE EXPECTED TO PROCEED WITH EXTREME CAUTION. TO ASSURE THE SURVIVAL OF HIS GOVERNMENT, BEGIN WILL HAVE TO DEVOTE INCREASING EFFORTS TO CONCILIATING THE NRP. HIS ACTIONS IN THE MEANTIME ARENA WILL BE GOVERNED BY THE PERCEPTION OF HOW THE LOSS OF THE NRP'S SUPPORT WOULD BRING DOWN HIS GOVERNMENT.

3. YET BEGIN'S LOSS OF POPULARITY, THE IMPRESSIVE GROWTH IN THE LABOR OPPOSITION'S PUBLIC APPEAL AND THE SITUATION RESPECTIVE FOR SIGNIFICANT DEVELOPMENT IN THE ECONOMIC SITUATION COMBINE SHARPLY TO REDUCE BEGIN'S LEVERAGE ON THE NRP. IN THE PAST, BEGIN COULD HAVE THREATENED TO RESIGN AND GO TO NEW ELECTIONS IN THE EXPECTATION OF COMING OUT ON TOP AND THUS BEING ABLE TO STAY IN OFFICE AFTER RENEGOTIATING THE COALITION AGREEMENT WITH THE NRP, BUT ELECTIONS NOW PROBABLY WOULD MEAN HIS POLITICAL OBLIVION. CONSEQUENTLY, BEGIN'S SCOPE FOR MANEUVER IN THE AUTONOMY NEGOTIATIONS WILL DEPEND ON THE LEeway THE NRP GIVES HIM.

4. THE NRP IS CONSCIOUS OF ITS STRENGTH. PARTY MILITANTS VEHEMENTLY OPPOSE CONCESSIONS ON IDEOLOGICAL, STRATEGIC, AND PRAGMATIC GROUNDS. INTERNAL CONSIDERATIONS MILITATE STRONGLY AGAINST; A MODERATION OF THE NRP'S STANCE

(A) MINISTER OF EDUCATION HANMER WILL MAINTAIN A HAWKISH STANCE OUT OF CONVICTION; THE NEED TO RETAIN UNITY WITHIN HIS FACTION OF THE PARTY; AND THE IMPERATIVE OF PREVENTING A WALKOUT BY GUSH EMUNIM SUPPORTERS.

(B) MINISTER OF INTERIOR BURG WILL NOT WANT TO RISK A PARTY SPLIT, ESPECIALLY IF THE "REWARD" FOR SUCH A SPLIT WERE AN "AUTONOMY WITH TEETH," WHICH HE FEARS WOULD EVOLVE INTO AN INDEPENDENT PALESTINIAN STATE.

5. THE PERIOD SINCE CAMP DAVID HAS SEEN THE RAPID SPREAD OF THE CONVICTION AMONG ISRAELIS THAT AN AUTONOMY ARRANGEMENT IN THE WEST BANK AND GAZA WOULD EVOLVE INTO A FULL-FLEDGED, INDEPENDENT PALESTINIAN STATE. WHILE THIS PERCEPTION EXTENDS ACROSS THE POLITICAL SPECTRUM, ITS SPREAD TO THE RIGHT WOULD IMMEDIATELY THREATEN BEGIN IF HE AGREED TO ANY SUBSTANTIVE CONCESSIONS-- CONCESSIONS WHICH COULD BECOME INSTANTANEOUSLY KNOWN.

6. COULD BEGIN WITHIN THE STRAINS OF THE AUTONOMY ISSUE, BEGIN WOULD FACE AN UPHILL STRUGGLE TO REMAIN IN POWER OVER THE LONGER RUN. IN HIS WEAKENED PHYSICAL CONDITION, WE DO NOT SEE HIM REGAINING THE INITIATIVE.

7 (C) AMBASSADOR YOUNG-PRESS REPORTS: THE ISRAELI PRESS HAS REPORTED THAT YOUNG'S RESIGNATION AUGUST 16. WASHINGTON-BASED ISRAELI CORRESPONDENTS WRITE THAT ISRAEL MIGHT BE "WORSE OFF" WITHOUT HIM. ISRAELI RADIO REPORTED A FEELING IN JERUSALEM THAT THE US UNDERSTANDS ISRAEL'S DEMANDS TO STOP CONTACTS WITH THE PLO. A MAARIV HEADLINE SAID PRESIDENT CARTER IS MAD AT ISRAEL OVER THE "YOUNG AFFAIR." DIPLOMATIC SOURCES IN THE US BELIEVE ISRAEL COULD WIND UP AS A MAJOR VICTIM OF THE RESIGNATION, MAARIV SAID. A YEDIDOT AHARANOT REPORT FROM WASHINGTON QUOTES AN UNNAMED "OLDION STATE DEPARTMENT" OFFICIAL AS SAYING ISRAEL HAS  
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C O N F I D E N T I A L FINAL SECTION OF 02 STATE 215873/02

LOST A FRIEND AT THE UN WITH THE RESIGNATION. THE SAME OFFICIAL REPORTEDLY WARNED THE RESIGNATION COULD HURT ISRAEL'S RELATIONS WITH AFRICAN STATES. THE JERUSALEM POST EDITORIALIZED THAT THE "EVIDENCE SUGGESTS" THAT AMBASSADOR YOUNG'S CONTACTS WITH THE PLO DID NOT "MISINTERPRET" US POLICY.

THE VOICE OF PALESTINE SAID THE RESIGNATION WAS CAUSED BY "INTIMIDATION AND RACIAL PERSECUTION." IN JERUSALEM, AL QUDS SEES A GROWING CONVICTION THAT THERE IS A PERCEPTIBLE SHIFT IN US POLICY TOWARD THE PLO.

REUTER REPORTED AN ATLANTA CONSTITUTION STORY THAT ISRAELI INTELLIGENCE AGENTS HAD FOLLOWED THE PLO OFFICIAL TO HIS MEETING WITH AMBASSADOR YOUNG.

8. (C) DAYAN STATEMENTS: EMBASSY TEL AVIV REPORTS THAT ISRAELI FOREIGN MINISTRY OFFICIAL BAR-ON PROFESSED TO BE IGNORANT OF DAYAN'S RECENT ASSERTIONS THAT THE US "ACCEPTS" ISRAELI POLICY IN LEBANON AND THAT THE US IS WILLING TO HAVE SOVIET OBSERVERS IN THE SINAI. OUR

CHANGE COMMENTS THAT BAR-ON'S IGNORANCE MAY BE A SMOKE SCREEN FOR HIS AND THE FOREIGN MINISTRY'S EMBARRASSMENT OVER DAYAN'S REMARKS.

(PARAGRAPHS 9-13 UNCLASSIFIED)

9. PLO-US AMBASSADOR: A VIENNA RADIO BROADCAST AUGUST 18 REPORTED THAT A PLO REPRESENTATIVE IN VIENNA REFUTED ISRAELI PRESS REPORTS THAT THERE HAD BEEN CONTACTS BETWEEN A PLO REPRESENTATIVE AND THE US AMBASSADOR TO AUSTRIA. HE SAID THAT IF THE AMBASSADOR HAD SPOKEN WITH A PALESTINIAN, IT WAS NOT WITH A PLO REPRESENTATIVE ACTING ON OFFICIAL ORDERS.

11. PLO-ISRAEL-KREISKY: CHANCELLOR KREISKY WAS REPORTED TO HAVE TOLD AN AUSTRIAN NEWSPAPER AUGUST 13 THAT THE PLO IS "READY TO RECOGNIZE THE ISRAELI STATE." THE ISRAELIS "HAVE LEARNED NOTHING." KREISKY REPORTEDLY SAID, "IF THEY THINK THEY CAN KEEP A PEOPLE MULTIPLYING SO RAPIDLY UNDER POLICE CONTROL..."

12. IRAN-SYRIA: A KUWAITI NEWSPAPER REPORTED FROM TEHRAN AUGUST 16 THAT A TOKEN FORCE OF IRANIAN TROOPS WOULD BE LEAVING FOR DAMASCUS AUGUST 17 TO TAKE UP POSITIONS ON THE CONFRONTATION LINE WITH ISRAEL. THERE HAD BEEN NO CONFIRMATION OF THIS REPORT. THE SYRIAN FOREIGN MINISTER HAS BEEN ON AN OFFICIAL VISIT TO IRAN. AUGUST 16 HE ANNOUNCED THAT THE TWO COUNTRIES HAD AGREED TO SET UP ECONOMIC AND FOREIGN POLICY COMMITTEES TO DISCUSS COMMON INTERESTS.

13. BAATHISTS-NATIONAL MOVEMENT: THE LEBANESE PRESS HAS REPORTED THAT THE PLO-IRANI BAATH PARTY SUSPENDED ITS MEMBERSHIP IN THE PREDOMINANTLY MULLIM/LEFTIST LEBANESE NATIONAL MOVEMENT ON AUGUST 15. THE SUSPENSION MAY BE DUE TO INCREASING CONFLICT BETWEEN THE COMMUNISTS AND THE BAATHISTS.

14. ISRAEL-SOUTH LEBANON: BEIRUT RADIO REPORTED THAT ISRAELI ARTILLERY SPALLED THE VILLAGE OF YUNNUN IN SOUTH LEBANON AUGUST 16, KILLING A GIRL AND WOUNDING FOUR OTHER YOUTHS INCLUDING THREE MEMBERS OF ONE FAMILY. REUTER PLACED THE TOLL AT THREE CIVILIANS KILLED AND FOUR WOUNDED. CHRISTOPHER

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 RUEPHS/AMEMBASSY ALGIERS 1502  
 RUENAR/AMEMBASSY AMMAN 0748  
 RUENAD/USINT BAGHDAD 1939  
 RUENIL/AMEMBASSY BEIRUT 5026  
 RUENIM/AMEMBASSY DAKAR 00527  
 RUENOD/AMEMBASSY DOHA 1100  
 RUENUB/USINT HAVANA 0570  
 RUEHJM/AMCONSUL JERUSALEM 2049  
 RUEHRA/AMEMBASSY JIDEA 2970  
 RUEHWA/AMEMBASSY KUWAIT 8198  
 RUEHWA/AMEMBASSY MANAMA 5444  
 RUEHNY/AMEMBASSY MUSCAT 8400  
 RUEKFI/AMEMBASSY KABAT 3549  
 RUEHNS/AMEMBASSY SANA 5436  
 RUEHZN/USMISSION SINAI 5017  
 RUEHWA/AMEMBASSY TEHRAN 4218  
 RUEHTV/AMEMBASSY TEL AVIV 5916  
 RUEHTI/AMEMBASSY TRIPOLI 9600  
 RUEKKR/AMEMBASSY TUNIS 4936  
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LIMITED OFFICIAL USE SECTION #1 OF 03 STATE 221305/01

E.O. 12065 N/A

TAGS: UPU, PORG, IS, SA

SUBJECT: POSSIBLE EXPULSION OF MEMBER STATES FROM THE UNIVERSAL POSTAL UNION (UPU)

REF: A) GENEVA 13728; B) STATE 217581

1. RETELS BEING REPEATED TO POSTS WHICH HAVE NOT YET RECEIVED THEM.
2. THE UPU WILL HOLD ITS 18TH CONGRESS IN RIO DE JANEIRO SEPTEMBER 12 - OCTOBER 13. ONE OF THE ISSUES TO BE RESOLVED AT THE CONGRESS IS THE FATE OF PROPOSED CONSTITUTIONAL AMENDMENTS PROVIDING FOR THE "RETRACTION" BY THE CONGRESS OF A MEMBER STATE'S ACCESSION TO THE UPU CONVENTION. "RETRACTION OF ACCESSION" WOULD BE THE EQUIVALENT OF EXPULSION FROM THE UPU. SUCH ACTION COULD SEVERELY PREJUDICE POSTAL COMMUNICATIONS BETWEEN THE EXPELLED STATE AND OTHER STATES. (THE UPU CONSTITUTION NOW PROVIDES--ARTICLES 2 AND 11--THAT NO MEMBER OF THE UPU IS ADMITTED TO THE UPU UPON REQUEST.)
3. THE LIST OF INDIVIDUAL CO-SPONSORS IS NOT YET AVAILABLE BUT THE AMENDMENTS HAVE BEEN SUBMITTED BY THE ARAB POSTAL UNION, WHICH RECENTLY RELOCATED FROM CAIRO TO TUNIS FOLLOWING THE SIGNING OF THE EGYPT/ISRAEL PEACE TREATY. WE ASSUME THAT ISRAEL IS THE DIRECT TARGET OF THE PROPOSAL, ALTHOUGH THE PROPOSAL CAN ALSO BE EXPECTED TO HAVE PARTICULAR APPEAL TO THOSE WHO HAVE ATTEMPTED IN PAST YEARS TO EXPEL SOUTH AFRICA FROM THE UPU. THE US CONSIDERS IT IMPORTANT THAT WE OPPOSE THE AMENDMENTS, ADOPTION OF WHICH WOULD REQUIRE THE AFFIRMATIVE VOICE OF TWO-THIRDS OF THE FULL UPU MEMBERSHIP.

4. IF WE ARE SUCCESSFUL IN BLOCKING THE CONSTITUTIONAL AMENDMENTS, ISRAEL'S OPPONENTS MAY PRESS THE EXCLUSION OF ISRAEL FROM THE CONGRESS. THIS COULD BE ACCOMPLISHED BY A MAJORITY OF THOSE PRESENT AND VOTING. EXCLUSION OF ISRAEL FROM THE CONGRESS COULD ALSO BE PUT FORWARD BY CERTAIN STATES AS A "COMPROMISE" ALTERNATIVE TO EXPULSION FROM THE UPU. WHILE EXCLUSION DOES NOT PREVENT A COUNTRY FROM ENJOYING MOST BENEFITS OF UPU MEMBERSHIP, WE WOULD ALSO STRONGLY OPPOSE EXCLUSION OF ISRAEL FROM THE CONGRESS. SOUTH AFRICA HAS BEEN EXCLUDED FROM EACH CONGRESS SINCE 1964, AND UNDER NO CIRCUMSTANCES DO WE WANT TO SEE ISRAEL TREATED IN THE SAME FASHION. WHILE EXCLUSION OF ISRAEL HAS NOT YET BEEN PROPOSED, AND WE DO NOT WISH TO PRECIPITATE SUCH A MOVE THROUGH UNNECESSARY DISCUSSION, ENVOIES SHOULD BE FOREWARNED OF THE POSSIBILITY.

5. IN A SEPARATE BUT RELATED MATTER, THE CONGRESS WILL ALSO HAVE TO DISPOSE OF A RESOLUTION WHICH WOULD PURPORT TO EXPEL SOUTH AFRICA WITHOUT AMENDING THE CONSTITUTION. IT IS SPONSORED BY BURUNDI, EGYPT, GRANA, GUINEA, GUINEA-BISSAU, LIBERIA, LIBYA, MALI, MARIITANIA, SOMALIA, SUDAN, AND ZAIRE. BECAUSE THE UPU CONSTITUTION AND RULES OF PROCEDURE DO NOT PROVIDE FOR EXPULSION OF A MEMBER STATE, IT IS OUR VIEW THAT SUCH EXPULSION CANNOT LEGITIMATELY BE CARRIED OUT. IN ANY EVENT SUCH AN ACTION WOULD HAVE NO PRACTICAL EFFECT WITHOUT APPROPRIATE CONSTITUTIONAL AMENDMENTS, IN VIEW OF THE AUTOMATIC APPLICATION OF UPU MEMBERS. THEREFORE, EVEN IF A MEMBER COULD BE EXPELLED IT WOULD BE IMMEDIATELY ELIGIBLE FOR READMISSION WITHOUT A VOTE OF THE CONGRESS. THE SOUTH AFRICAN ISSUE HAS ARISEN IN ONE FORM OR ANOTHER AT EACH OF THE CONGRESSES SINCE 1964, WITH THE OUTCOME IN EACH CASE BEING EXCLUSION OF SOUTH AFRICA FROM PARTICIPATION IN THE CONGRESS, BUT NOT EXPULSION FROM THE UPU ITSELF. SOUTH AFRICA IS THUS A MEMBER OF THE UPU, BUT WILL NOT BE SENDING A DELEGATION TO THE RIO CONGRESS.

6. OUR TACTICAL OBJECTIVE IS TO OBTAIN SUPPORT FROM STATES TO OPPOSE ON PRINCIPLE EXPULSION OF MEMBER COUNTRIES FROM THE UPU. WHILE EFFORTS TO EXPEL ISRAEL AND/OR SOUTH AFRICA ARE LIKELY TO BE THE CONCRETE CASES AT ISSUE, WE HOPE TO GAIN THE WIDEST POSSIBLE SUPPORT FOR OUR POSITION BY

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RUEHRS/AMEMBASSY ALGIERS 1503  
RUEHAM/AMEMBASSY AMMAN 0749  
RUEHAD/USINT BAGHDAD 1940  
RUCGBE/AMEMBASSY BLINIT 9827  
RUEHDM/AMEMBASSY DAMASCUS 6528  
RUCGOD/AMEMBASSY DOHA 0323  
RUEHUB/USINT HAVANA 8980  
RUEHJM/AMCONSUL JERUSALEM 2250  
RUCMRA/AMEMBASSY JIDDA 0977  
RUCMKW/AMEMBASSY KUWAIT 8199  
RUCMAN/AMEMBASSY MANAMA 5445  
RUCMNT/AMEMBASSY MUSCAT 7401  
RUDNET/AMEMBASSY RABAT 0550  
RUCGNS/AMEMBASSY SANA 5437  
RUCGZN/USMISSION SINAI 9818  
RUCQHR/AMEMBASSY TEHRAN 4213  
RUEHTV/AMEMBASSY TEL AVIV 5917  
RUCQTI/AMEMBASSY TRIPOLI 9621  
RUDKAR/AMEMBASSY TUNIS 4937  
RUCJFS/AMEMBASSY VIENTIANE 0300

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C O N F I D E N T I A L

LIMITED OFFICIAL USE SECTION 02 OF 03 STATE 241305/22

EMPHASIZING THE PROBLEM IN PRINCIPLE WITH EXPULSION--OR EXCLUSION FROM PARTICIPATION--OF ANY MEMBER. SIMILARLY, WHILE EFFORTS TO EXPEL OR EXCLUDE MAY BE DIRECTED AT BOTH ISRAEL AND SOUTH AFRICA, THERE ARE OBVIOUS TACTICAL DISADVANTAGES TO LINKING THE TWO IN OUR DECLARATIONS. ACCORDINGLY, WE INTEND TO HANDLE THE TWO CASES DIFFERENTLY.

7. EMBASSIES ARE REQUESTED TO RAISE MATTER OF UNIVERSAL PARTICIPATION IN THE UPU WITH HOST GOVERNMENTS, DRAWING AS APPROPRIATE ON FOLLOWING TALKING POINTS, UNLESS EMBASSY BELIEVES IT WOULD BE COUNTERPRODUCTIVE:

--THE 18TH CONGRESS OF THE UNIVERSAL POSTAL UNION IS SCHEDULED FOR SEPTEMBER 12 TO OCTOBER 26 IN RIO DE JANEIRO. AS THE UNITED NATIONS SPECIALIZED AGENCY CONCERNED WITH INTERNATIONAL POSTAL MATTERS, THE UPU FILLS AN IMPORTANT NEED OF THE INTERNATIONAL COMMUNITY.

--IT IS OUR UNDERSTANDING THAT AMONG THE PROPOSALS TO BE CONSIDERED BY THE CONGRESS ARE AMENDMENTS TO ARTICLES 11 AND 12 OF THE CONSTITUTION, WHICH AMENDMENTS WOULD ESTABLISH PROCEDURES FOR "RETRACTION" BY THE CONGRESS OF ACCEPTANCE OF MEMBER STATES. THESE AMENDMENTS WOULD THUS AUTHORIZE EXPULSION OF MEMBERS FROM THE UPU.

--EXPULSION FROM THE UPU COULD SEVERELY PREJUDICE POSTAL COMMUNICATIONS BETWEEN THE EXPELLED STATE AND THE OTHER MEMBERS OF THE UPU AND, NO LESS SERIOUSLY, WOULD ELIMINATE THE PRINCIPLE OF UNIVERSAL MEMBERSHIP ON WHICH THE UPU NOW OPERATES. SUCH POLITIZATION OF A UN AGENCY WOULD SERIOUSLY UNDERCUT THE INTEGRITY OF THE ORGANIZATION AND INTERFERE WITH THE TECHNICAL WORK IT IS INTENDED TO ACCOMPLISH: THE MOVEMENT OF INTERNATIONAL MAIL. IT WOULD ALSO UNDERCUT PUBLIC SUPPORT FOR THE UN SYSTEM IN OUR COUNTRY.



--WE BELIEVE THAT APPROVAL BY THE CONGRESS OF THE PROPOSED CONSTITUTIONAL AMENDMENT AUTHORIZING "RETRACTION OF THE ACCESSION" OF A MEMBER STATE WOULD BE A SERIOUS MISTAKE AND WE HOPE THE GOVERNMENT OF \_\_\_\_\_ WILL INSTRUCT ITS DELEGATION TO OPPOSE SUCH ACTION.

--WE HAVE REASON TO BELIEVE THE PROPOSED CONSTITUTIONAL AMENDMENTS ARE INTENDED TO FACILITATE EXPULSION OF ISRAEL FROM THE UPU. WE HOPE THE GOVERNMENT OF \_\_\_\_\_ APPRECIATES THE NEGATIVE EFFECT EXPULSION OF ISRAEL FROM THE UPU, OR ANY OTHER ACTION DESIGNED TO LIMIT ISRAELI PARTICIPATION IN THE UPU, WOULD HAVE ON THE UPU ITSELF AND THROUGHOUT THE UNITED NATIONS SYSTEM. AS THE GOVERNMENT OF \_\_\_\_\_ WILL

APPRECIATE, ANY SUCH ACTION WOULD ELICIT AN EXTREMELY NEGATIVE REACTION IN THE UNITED STATES.

--WE HOPE THE \_\_\_\_\_ DELEGATION WILL BE INSTRUCTED TO TAKE THE NECESSARY ACTION TO PREVENT THE CONFRONTATION THAT WOULD RESULT AT THE RIO CONGRESS FROM ANY EFFORT TO LIMIT ISRAELI PARTICIPATION IN THE UPU. IT IS THE OPINION OF THE UNITED STATES GOVERNMENT THAT DISCUSSION OF THIS OR OTHER EXTRANEIOUS POLITICAL ISSUES CAN ONLY IMPEDE THE EFFECTIVENESS OF THE CONGRESS AND THE UPU. HOWEVER, SHOULD ANY SUCH EFFORT BE MADE, WE HOPE YOUR DELEGATION WILL BE INSTRUCTED TO OPPOSE ANTI-ISRAELI ACTIONS BY THE CONGRESS.

--(TO BE USED ONLY IN DISCUSSION IF FOLLOWING SPECIFIC CONTINGENCY IS RAISED BY HOST GOVERNMENT) THE GOVERNMENT OF THE UNITED STATES WOULD ALSO STRONGLY OPPOSE ANY EFFORTS TO EXCLUDE ISRAEL FROM THIS CONGRESS FOR THE SAME REASONS GIVEN ABOVE. THE AMERICAN PEOPLE WOULD NOT DIFFERENTIATE BETWEEN EXCLUSION AND EXPULSION, AND THEIR REACTION TO EITHER EVENT WOULD BE EQUALLY NEGATIVE. IN THE INTEREST OF PRESERVING THE INTEGRITY OF THE UPU AND THE RIO CONGRESS, WE HOPE THE GOVERNMENT OF \_\_\_\_\_ WILL JOIN US IN ATTEMPTING TO PREVENT EXCLUSION OF ISRAEL FROM THE CONGRESS SHOULD SUCH A PROPOSAL BE MADE.

C. FOR BERN, BONN, OTTAWA, LONDON, STOCKHOLM, THE HAGUE  
TOKYO: EMBASSIES SHOULD RAISE WITH HOST GOVERNMENTS THE  
BT

#1525

NNNNVV ESA0811RA131  
PP RUGAHR  
DE RUEHC #1305/03 2350715  
ZNY CCCCC ZZH  
R R 030031Z AUG 79  
FM SECSTATE WASHDC  
TO ALL DIPLOMATIC POSTS PRIORITY  
INFO RUGMRI/AMEMBASSY ABU DHABI 4896  
RUTAFB/AMEMBASSY ADDIS ABABA 3022  
RUPHRS/AMEMBASSY ALGIERS 1504  
RUERAN/AMEMBASSY ALMAN 0750  
RUCIJD/USINT BAGHDAD 1941  
RUCHEE/AMEMBASSY BLIRUT 9022  
RUCHEM/AMEMBASSY DAMASCUS 0529  
RUCIJD/AMEMBASSY Doha 0304  
RUCRHM/USINT HAVANA 0581  
RUCRJR/AMCONSUL JERUSALEM 2251  
RUCMRA/AMEMBASSY JIDDA 0978  
RUCRKH/AMEMBASSY KUWAIT 0200  
RUCMAM/AMEMBASSY MANAMA 5446  
RUCMAT/AMEMBASSY MUSCAT 0402  
RUCRKY/AMEMBASSY RABAT 3551  
RUCRNS/AMEMBASSY SANA 5438  
RUCMZH/USMISSION SINAI 9819  
RUCMHR/AMEMBASSY TEHRAN 4214  
RUCRIV/AMEMBASSY TEL AVIV 5918  
RUCMII/AMEMBASSY TRIPOLI 9602  
RUDXKR/AMEMBASSY TUNIS 4938  
RUCMJP/AMEMBASSY VIENTIANE 0321  
BT  
C O N F I D E N T I A L

LIMITED OFFICIAL USE FINAL SECTION OF 03 STATE 221305/03

POSSIBILITY OF THEIR MAKING DEBARCHES SIMILAR TO OUR OWN  
TO OTHER CAPITALS PRIOR TO THE SEPTEMBER 12 CONGRESS.

2. FOR BORN ONLY: DR. FRITZ KOLLER, HEAD OF THE INTER-  
NATIONAL POSTAL SERVICE, FEDERAL MINISTRY OF POSTS AND  
TELECOMMUNICATIONS, WILL BE CHAIRMAN OF THE FOURTH(GENERAL)  
COMMITTEE AT THE 1979 CONGRESS. THIS COMMITTEE WOULD  
NORMALLY CONSIDER CONSTITUTIONAL AMENDMENTS (SEE PARA 15  
OF REFTIL AND STATE 207641). ISRAEL HAS AGREED WITH OUR  
ASSESSMENT THAT IT WOULD BE PREFERABLE FOR THE AMENDMENTS  
TO BE CONSIDERED THERE RATHER THAN IN PLENARY. ISRAEL  
SHOULD HAVE ALREADY HAVE CONTACTED KOLLER ALONG THE LINES  
RECOMMENDED IN STATE 207641 PARA 3, BUT WE DO NOT HAVE A  
REPORT ON THE CONTACT. BY VIRTUE OF HIS CHAIRMANSHIP OF  
THE FOURTH COMMITTEE, KOLLER WILL BE A MEMBER OF THE CON-  
GRESS BUREAU (THE CONGRESS STEERING GROUP) AND MAY BE IN A  
KEY POSITION TO AFFECT CONGRESS DECISIONS. EMBASSY MAY  
WISH TO TOUCH BASE WITH KOLLER, INDICATING THE IMPORTANCE  
OF ATTACH TO MAINTAINING THE UNIVERSALITY OF THE UPU AND  
OUR DESIRE, IN PARTICULAR, OF AVOIDING ANY ACTION AGAINST

ISRAEL.

10. FOR BRASILIA: PRESIDENT OF THE UPU CONGRESS WILL BE ADWALDO CARDOZO BOUTO DE LAMPOS, PRESIDENT OF THE BRAZILIAN ENTERPRISE OF POSTS AND TELEGRAPHS. CHARGE D'AFFAIRES OF THE CONGRESS WILL BE NEWLY LOPEZ LANDEIRA, OF THE SAME ORGANIZATION. IF AMBASSADOR BELIEVES THAT US OBJECTIVES, AS SET FORTH IN THIS CABLE, WOULD BE ADVANCED BY HIS CONTACTING BOUTO, WE REQUEST THAT SUCH A CONTACT BE MADE WITH A VIEW TO EMPHASIZING THE IMPORTANCE WE ATTACH TO MAINTAINING THE UNIVERSALITY OF THE UPU AND EXPRESSING THE HOPE THAT CONTROVERSIAL POLITICAL ISSUES CAN BE AVOIDED.

11. FOR MEXICO CITY: ROMEO RINCON SERRANO, DIRECTOR GENERAL OF POSTS WILL HEAD THE MEXICAN DELEGATION AND WILL BE CHAIRMAN OF THE CREDENTIALS COMMITTEE, WHICH WILL ALSO MAKE HIM A MEMBER OF THE CONGRESS BUREAU (A STEERING GROUP CONSISTING OF THE OFFICERS OF THE CONGRESS AND COMMITTEE CHAIRMEN). EMBASSY MAY WISH TO CONTACT HIM IN ADDITION TO APPROPRIATE MEXA OFFICIALS AND EXPRESS THE HOPE THAT HE WILL USE HIS POSITION TO HELP ENSURE MAINTENANCE OF THE PRINCIPLE OF UNIVERSALITY IN THE UPU.

12. IF ISSUE OF SOUTH AFRICA IS RAISED BY HOST GOVERNMENT, POSTS SHOULD DRAW ON REF 8 FOR RESPONSE.

13. TALKING POINTS IN FRENCH AND SPANISH WILL FOLLOW SEPR. CHRISTOPHER

#1245



5. THE PRESENT STORM PROBABLY WILL NOT AFFECT PERES' POSITION. LABOR IS MORE OR LESS COMMITTED TO FOLLOW PERES' LEADERSHIP, AND THE LATTER REMAINS THE ODDS-ON FAVORITE TO BECOME PRIME MINISTER IN THE EVENT THAT LABOR WINS THE NEXT ELECTION. A REAL PROBLEM COULD DEVELOP FOR PERES AND LABOR, HOWEVER, IF RABIN REPEATS OR INTENSIFIES HIS CHARGES JUST BEFORE THE NEXT ELECTION.

6. EVEN IF THIS WERE TO HAPPEN, HOWEVER, THE PERFORMANCE OF THE PRESENT COALITION GOVERNMENT IS LIKELY TO BE A MORE IMPORTANT ELECTION ISSUE THAN OLD LABOR PARTY SCANDALS. THE MEMORIES OF MANY ISRAELI VOTERS ARE SHORT, AND THEIR ATTENTION WILL REMAIN DRAWN TO THE LIYUD GOVERNMENT'S OPERATIONS.

7. (U) ISRAELI PRESS: IN HIS JERUSALEM POST ARTICLE ON AMBASSADOR STRAUSS, WOLF BLITZER WROTE AUGUST 24 THAT THE LATEST CHAPTER IN THE MIDDLE EAST PEACE NEGOTIATIONS "LEFT AMBASSADOR STRAUSS WITH 'A PRAYED CONFIDENCE.'" THE ARTICLE BEGAN BY SAYING THAT "THE CARTER ADMINISTRATION'S RECENTLY SCRAPPED PROPOSAL TO HAVE THE US INTRODUCE ITS OWN SC RESOLUTION... WAS A MAJOR DIPLOMATIC BLUNDER." A HA'ARETZ INTERVIEW WITH THE AMBASSADOR SAID THAT "WHEN STRAUSS SAYS PEOPLE ARE SPEAKING ILL OF

ISRAEL... (PREVENTING) PALESTINIAN PARTICIPATION IN THE TALKS, AND WHEN STRAUSS HINTS THAT HE DOES NOT SUBSCRIBE TO THE VIEW... (HE) COULD BE SAYING INDIRECTLY THAT ISRAEL MUST NOT LET SUCH THOUGHTS TO GET HOLD."

ELSEWHERE, A HA'ARETZ ARTICLE SAYS WASHINGTON'S INTEREST HAS SHIFTED FROM THE ARAB-ISRAELI DISPUTE TO THE LINKAGE OF OIL TO PALESTINIANS.

WRITING FROM WASHINGTON, A YEDIDI AHRANZI REPORTER WAINS THAT THE "ECONOMIC BILL FOR THE BLUNDERS OF (ISRAELI FINANCE MINISTER) ERILICH AND COMPANY IS FOOTED BY UNCLE SAM WHO WILL SOON FIND THE AMOUNTING BIG TO 'LANKROLL.'" HE ALSO WROTE THAT "THE MOST STUNNING DISCOVERY TO HAVE EMERGED FROM THE YOUNG AFFAIR IS THAT THE ARABS AND THE PLO HAVE AT LONG LAST MANAGED TO SELL THEIR CAUSE TO THE AMERICAN PUBLIC." BUT HE CHARGES THAT "NOW WHEN THE COALITION CALLS FOR US TO WALK ON TIPTOE... ISRAELI (OFFICIALS) CARRY ON LIKE BULLS IN A CHINA SHOP."

8. (C) GOLAN-SHARON CLAIMS: IN AN AUGUST 23 VISIT TO DANIZ VILLAGE ON THE GOLAN HEIGHTS, SHARON RENEWED HIS CLAIM THAT ISRAEL INTENDS TO KEEP THE GOLAN EVEN IN THE EVENT OF PEACE WITH SYRIA. "AS FAR AS I AM CONCERNED," HE SAID, "THE GOLAN HEIGHTS ARE AN INTEGRAL PART OF ISRAEL."

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TO INTSUM COLLECTIVE PRIORITY  
INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2697  
RUEKJCS/DOO/ISA WASHDC PRIORITY

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C O N F I D E N T I A L SECTION #2 OF #3 STATE 229283/82

ISRAEL... IN MY OPINION, THE GOVERNMENT VIEWS IT AS I DO, ONLY IT HAS USED DIFFERENT WORDING." EMBASSY TEL AVIV COMMENTS THAT STATEMENTS LIKE SHARON'S AND OTHER ACTIONS, LIKE THE ANNEXATION PETITION (WHICH NOW HAS REPORTEDLY 400,000 SIGNATURES) ARE SUBSTITUTES FOR CONCRETE ACTIONS IN ANNEXING THE GOLAN. THE GOVERNMENT'S HESITATION TO GRANT IDENTITY CARDS TO THE DRUZE IN THE AREA IS ANOTHER INDICATION OF ITS AMBIVALENCE ON THE ISSUE, THE EMBASSY SAYS. WEIZMAN HAS SIGNED THE ANNEXATION PETITION, LARGELY FOR RHETORICAL PURPOSES.

BEGIN AND DAYAN HAVE NOT SIGNED IT AND DAYAN CONTINUES TO BELIEVE THAT ULTIMATELY, ISRAEL WILL HAVE TO WITHDRAW FROM MOST OF THE GOLAN.

9. (C/NF) ISRAEL: NEAR LOSS OF AIRCRAFT: ON AUGUST 15 THE ISRAELI AIR FORCE (IAF) NEARLY LOST ITS FIRST F-2C WARNING AND CONTROL AIRCRAFT. AN ON BOARD FIRE FORCED THE PLANE TO MAKE AN EMERGENCY LANDING. THE AIRCRAFT WAS SEVERELY DAMAGED AND WILL BE INOPERABLE FOR ONE TO SIX MONTHS. THE LONGER PERIOD IS CONSIDERED MORE LIKELY. F-200 HAVE BEEN USED SINCE JUNE 1979 TO SUPPORT ISRAELI STRIKE AND RECONNAISSANCE MISSIONS OVER LEBANON. ISRAEL HAS THREE OTHER F-200S IN ITS INVENTORY.

10. (U) ISRAEL-UNITED ISSUE: JERUSALEM RADIO REPORTED THAT AUGUST 26 ISRAELI CABINET MEETING DECIDED TO DEMAND THAT THE UNITED STATES HONOR ITS COMMITMENT REGARDING THE PRESENCE OF UN FORCES IN SINAI OR THE ESTABLISHMENT OF A MULTINATIONAL FORCE THERE. FOREIGN MINISTER DAYAN REPORTEDLY SAID DURING THE MEETING THAT ISRAEL SHOULD CONSIDER ITS REACTION BEFORE ANY MORE OF THE SINAI PENINSULA IS RETURNED. THERE WERE OTHER MINISTERS WHO PROPOSED EXPLICITLY INFORMING THE US AND EGYPT THAT IF AN EARLY SOLUTION IS NOT FOUND, ISRAEL WILL NOT EVACUATE THE AREA IT IS SCHEDULED TO LEAVE THE MIDDLE OF NEXT MONTH. THE RADIO'S POLITICAL CORRESPONDENT NOTES THAT EFFORTS TO CLARIFY THIS ISSUE WITH THE US ADMINISTRATION WILL BE UNDERTAKEN SOON, CULMINATING IN THE MEETINGS DAYAN WILL HOLD IN THE US NEXT MONTH.

11. (U) ISRAEL CABINET-LEBANON: JERUSALEM RADIO REPORTS THAT IN THE NEXT SEVERAL DAYS THE ISRAELI CABINET WILL DISCUSS MEASURES ISRAEL HAS BEEN TAKING IN LEBANON. THE MINISTERS REPORTEDLY TOOK EXCEPTION TO CURRENT ISRAELI AIR AND GROUND OPERATIONS.

WEVER, CABINET SECRETARY NA'OH AUGUST 26 SUMMED UP ISRAEL'S POSITION ON THE FIGHTING BY BLAMING "TERRORISTS" OF THE SO-CALLED PLO" FOR ESCALATING THE FIGHTING. HE CITED PALESTINIAN CLASHES WITH FIJIAN SOLDIERS AND ROCKET ATTACKS AGAINST ISRAELI CIVILIAN SETTLEMENTS (CARRIED OUT AFTER A WEEK OF HEAVY ISRAELI/RIGHTIST SHELLING OF SOUTH LEBANON). "OF COURSE, WE ARE LAUNCHING COUNTER-ATTACKS ON THOSE MURDERERS...AND WE SHALL CONTINUE," NA'OH SAID.

12. (U) ISRAEL-DEPORTATION: CONSULATE GENERAL JERUSALEM REPORTS THAT THE AUGUST 22 ISSUE OF AN ARAB NEWSPAPER CLAIMED THAT A PALESTINIAN FROM A VILLAGE NEAR HAMALLAH IN THE WEST BANK WAS DEPORTED "RECENTLY" BY THE ISRAELI MILITARY AUTHORITIES. THE DEPORTEE HAD ARRIVED ON THE WEST BANK IN FEBRUARY UNDER A FAMILY REUNION PROGRAM. THE ISRAELI SUPREME COURT UPHELD THE ACTION. (THE NUMBER OF DEPORTATIONS FROM THE WEST BANK HAS DROPPED DRAMATICALLY IN RECENT YEARS BUT THE POLICY OBVIOUSLY REMAINS IN FORCE.)

13. (U) ISRAEL-BOMBING: A VOICE OF PALESTINE BROADCAST (LOD) CLAIMED THAT AT NOON (LOCAL) AUGUST 26 A BOMB EXPLODED AT AN "ENEMY PERSONNEL PICKUP POINT" (POSSIBLY A WATCHING STATION FOR IDF PERSONNEL) NEAR JERUSALEM. THE BROADCAST REPORTED THAT A "NUMBER OF ENEMY PERSONNEL WERE KILLED OR WOUNDED" AND THAT A NEARBY ELECTRICAL STATION WAS DAMAGED. IT ALLEGED THAT ISRAELI RADIO HAD CONFIRMED THE INCIDENT. WE HAVE NO CONFIRMATION FROM ISRAEL THAT SUCH AN ATTACK OCCURRED.

14. (U) WEIZMAN-GAZA STRIP: EMBASSY TEL AVIV REPORTS THAT WEIZMAN'S AUGUST 25 VISIT TO THE GAZA STRIP WAS LARGELY A MEDIA EVENT AND AN ATTEMPT TO DEMONSTRATE HIS CONCERN FOR BOTH JEWISH SETTLERS AND PALESTINIANS. HE INDICATED POSITIVE MOVEMENT ON SOME PALESTINIAN REQUESTS. WHEN ASKED BY SETTLERS ABOUT THE GOVERNMENT'S POLICY ON THE FUTURE OF GAZA AND OF SETTLEMENTS BEYOND THE GREEN LINE, WEIZMAN'S DEPUTY SAID, ACCORDING TO ISRAELI RADIO, THAT ANOTHER SETTLEMENT IS EXPECTED WITHIN THE NATIF DISTRICT WITHIN TWO WEEKS BRINGING THE TOTAL NUMBER OF SETTLEMENTS THERE TO FOUR. WEIZMAN ADVISED THE SETTLERS TO "GO ON ACTIVELY BUILDING YOUR FUTURE. THE ISRAELI GOVERNMENT...WILL REACT BY ITS DECISION. WE SHALL DEVELOP THIS REGION EXACTLY ACCORDING TO THE PLANS WE HAVE ADOPTED." THE EMBASSY COMMENTS THAT WEIZMAN ALSO IS MAKING THE POINT THAT EVEN THOUGH HE IS AVOIDING THE AUTONOMY TALKS, HE IS STILL THE ISRAELI OFFICIAL RESPONSIBLE FOR THE WEST BANK AND GAZA.

15. (U) PERSIAN GULF-OIL TANKER SINKS: PRESS AND EMBASSY REPORTING INDICATES THAT A SINGAPOREAN TANKER SANK NEAR ABU DHABI AUGUST 26 AFTER AN EXPLOSION ON BOARD. THE

NNNNVV ESB035BRAS02  
PP RHOHHH  
DE RUFRC #5263/03 2492413  
NY CCCCC ZZH  
Z 272149Z AUG 79  
FM SECSTATE WASHDC

TO INISUM COLLECTIVE PRIORITY  
INFO RUEBAHS/ TREASURY DEPARTMENT WASHDC PRIORITY 2690  
RUEKJCS/DOO/ISA WASHDC PRIORITY

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C O N F I D E N T I A L FINAL SECTION OF 03 STATE 225283/03

TANKER, A RELATIVELY SMALL VESSEL (10,000 DWT) NAMED  
MV CERRY BOKP, BROKE UP AND SANK ABOUT 17 MILES FROM  
DAS ISLAND. PRESS REPORTS INDICATE THAT THE SHIP'S AGENTS  
ATTRIBUTED THE EXPLOSION TO GAS AND OIL VAPORS IN THE SHIP  
AND NOT TO SABOTAGE. THE ABU DHABI MARINE AUTHORITY

REPORTED THAT THE VESSEL WAS TRAVELLING IN BALLAST FROM  
PARACELI BOUND FOR JEBEL DANA (A PORT WEST OF ABU DHABI).  
FIVE CREW MEMBERS ARE MISSING; ONE DIED EN ROUTE TO  
ABU DHABI.

16. (U) PLO-ROMANIA: YASSIR ARAFAT MET AUGUST 25 WITH  
NICOLAI CEAUDESCU AT A BUCHAREST SUMMERE ONLY NINE DAYS  
AFTER THE TWO MEN HAD CONFERRED IN DAMASCUS. AP REPORTS  
THAT THE ROMANIAN NEWS AGENCY SAID A JOINT STATEMENT WAS  
ISSUED WHICH CALLED FOR ISRAEL'S "TOTAL, UNCONDITIONAL  
AND UNDELAYED WITHDRAWAL FROM OCCUPIED TERRITORIES."  
THE STATEMENT ALSO DEMANDED RECOGNITION OF THE  
"PALESTINIAN PEOPLE'S INALIENABLE NATIONAL RIGHTS,  
INCLUDING THE RIGHT TO SELF-DETERMINATION, TO RETURN TO  
ITS HOME AND TO ESTABLISH ITS OWN INDEPENDENT STATE."  
IF THE AP REPORT IS CORRECT, THIS FORMULATION WOULD GO  
WELL BEYOND ANYTHING TO WHICH ROMANIA HAS COMMITTED  
ITSELF IN ITS EFFORTS TO MEDIATE ARAB-ISRAELI DIFFERENCES.

ARAB PRESS REPORTS MENTION THAT ARAFAT MAY TRAVEL  
TO THE USSR PRIOR TO GOING TO THE NON-ALIGNED SUMMIT IN  
HAVANA. THE SOVIETS ARE THOUGHT TO BE UNHAPPY WITH SOME  
OF ARAFAT'S RECENT INITIATIVES.

17. (U) PLO-KREISKY: REUTER R-PORTS THAT AUSTRIAN  
CHANCELLOR KREISKY HAS IN AN INTERVIEW WITH A QULAITI  
NEWSPAPER URGED THE WORLD TO RECOGNIZE THE PALESTINIAN  
PEOPLE'S RIGHT TO SELF-DETERMINATION. KREISKY SAID  
PROMINENT JEWISH-AMERICAN NAUM GOLDMANN HAD EXPRESSED  
THE WISE TO MEET ARAFAT AND CONDUCT A DIALOGUE WITH HIM.  
KREISKY OFFERED THE VIEW THAT ARAFAT "TACKLES MATTERS

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U.S. GOVERNMENT PRINTING OFFICE: 1975 O 281-241

PRACTICALLY AND OBJECTIVELY.

18. (LON) "LAI THEM BRING SEANADER"-SADAT STRIKES AGAIN: EMBASSY CAIRO REPORTS THAT SADAT DENIED THE VALUE OF A UN RESOLUTION ON THE PALESTINIANS AND AGAIN LAMPEASTED HIS ARAB CRITICS IN A SPEECH IN SUHZ AUGUST 26. SADAT SAID BY SAYING THAT A NEW SECURITY COUNCIL RESOLUTION COULD NOT GIVE THE PALESTINIANS SELF-RULE, RELEASE PALESTINIAN PRISONERS, FORCE AN ISRAELI WITHDRAWAL OR ENDISH ISRAELI CIVILIAN AND MILITARY RULE. EGYPT, SADAT SAID, HAS ACHIEVED ISRAELI WITHDRAWAL AND PALESTINIAN SELF-RULE. HE SAID ISRAELI SECURITY FORCES WILL NOT BE AN ARMY OF OCCUPATION AND WILL BE PULLED BACK TO LIMITED SECURITY POINTS. SADAT SAID HE TOLD AMBASSADOR STRAUSS THAT EGYPT WOULD NOT RETREAT FROM CAMP DAVID. HE SAID

ANY NEW RESOLUTION SHOULD MEET TWO CONDITIONS: A PRECISE DEFINITION OF THE LEGITIMATE INTERESTS OF THE PALESTINIANS AND NON-INTERFERENCE WITH THE CAMP DAVID ACCORDS.

SADAT SAID HIS ARAB CRITICS COULD "SPOUT AND DRINK FROM THE SEA." HE SAID THESE ARABS ARE HYPOCRITES, SINCE THEY HAVE PRIVATELY TOLD THE US THEY ARE OPPOSED TO A PALESTINIAN STATE. HE IMPLIED THAT THE SAUDIS AND OTHER GULF ARABS ARE CELEBRATING THE MUSLIM HOLIDAYS WITH GOLD, SILVER AND CAMELING. SAUDI BEHAVIOR, HE SAID, IS RIDICULOUS, PETTY AND CHILDISH. HE RETURNED TO HIS PAST PRACTICE OF BELITTLING THE PRESENT SAUDI LEADERSHIP BY RAISING THE REIGN OF KING FAISAL. HE DISMISSED KING HUSEIN AS AN IMPORTUNING BEGGAR. HIS ONLY KIND WORDS WERE FOR SUDAN, OMAN AND SOMALIA.

19. (U) UNIFIL-CASUALTIES: THREE FIJIAN UNIFIL SOLDIERS WERE KILLED AND TWO WERE WOUNDED, ONE CRITICALLY, AUGUST 24 WHEN THEIR PATROL WAS AMBUSHED, APPARENTLY BY REMAINS OF PALESTINIAN LEFTISTS. THE INCIDENT IS THE LATEST IN A SERIES OF CLASHES OVER THE PAST THREE DAYS BETWEEN UNIFIL TROOPS AND THE LEFTISTS, ONE OF WHOM WAS KILLED BY A FIJIAN SOLDIER EARLIER THIS WEEK. SEVERAL UNIFIL SOLDIERS WERE WOUNDED TWO DAYS AGO IN TWO FIRE FIGHTS.

20. (U) FRG-LIBRARIAN: PRESS REPORTS AUGUST 24 SAID A BOMB BRENADI WAS THROWN AT THE WEST GERMAN EMBASSY IN BEIROUT. THIS IS THE SECOND ATTACK ON THE EMBASSY WITHIN A WEEK. NO DAMAGE OR CASUALTIES RESULTED. THE LATEST INCIDENT CAME FOUR DAYS BEFORE THE VISIT OF FRG FOREIGN MINISTER GENSCHER.

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21. (C) LEBANON-PROXIMITY FUSES: AMBASSADOR DEAN HAS EXPRESSED THE VIEW THAT ISRAEL'S APPARENT ADMISSION IN A RECENT INTELLIGENCE REPORT FROM OUR DEFENSE ATTACHE IN TEL AVIV THAT IT IS USING PROXIMITY FUSES IN LEBANON, WHICH EXPLODE BEFORE THEY HIT THE GROUND, IS AN ADMISSION THAT ISRAEL IS USING A VERY LETHAL ANTI-PERSONNEL WEAPON. ISRAEL HAS CLAIMED THAT THESE ROUNDS ARE USED AGAINST "ORANGE GROVES" AND "FORESTS" FOR "EFFECT PURPOSES." CHRISTOPHER  
BT  
#0007

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001461

MEMORANDUM FOR THE DIRECTOR, CENTRAL INTELLIGENCE AGENCY  
DATE: 12/26/55  
SUBJECT: SYRIA AND IRAQ: A STATUS REPORT: RECENT EVENTS  
INDICATE THAT THE SYRIA-IRAQI RELATIONSHIP HAS COOLED  
SOMEWHAT SINCE THE SYRIA-IRAQI AGREEMENT WAS SIGNED IN  
1954. THIS REPORT IS BASED ON A VISIT TO DAMASCUS BY  
A MEMBER OF THE SYRIAN DELEGATION TO THE ARAB LEAGUE  
MEETING IN BAGDAD, IRAQ, IN OCTOBER, 1955.

POL  
CHRG  
CHRN

SYSTEMS/OPERATIONS OFFICE 197-221323

SECRET SECTION 21 OF 53 STATE 23345/21  
P.O. 12265: GDS 1/4/55 (MONTVILLE, JOSEPH V.)

CLASS: E, IS, PKA

SUBJECT: MEMORANDUM 2-7 - SEPTEMBER 8, 1955

FOR THE DIRECTOR, CENTRAL INTELLIGENCE AGENCY  
FROM: MR. MICHAEL MURPHY  
SUBJECT: SYRIA AND IRAQ: A STATUS REPORT: RECENT EVENTS  
INDICATE THAT THE SYRIA-IRAQI RELATIONSHIP HAS COOLED  
SOMEWHAT SINCE THE SYRIA-IRAQI AGREEMENT WAS SIGNED IN  
1954. THIS REPORT IS BASED ON A VISIT TO DAMASCUS BY  
A MEMBER OF THE SYRIAN DELEGATION TO THE ARAB LEAGUE  
MEETING IN BAGDAD, IRAQ, IN OCTOBER, 1955.

(PARAGRAPHS 1-3 SECRET)

1. SYRIA AND IRAQ: A STATUS REPORT: RECENT EVENTS  
INDICATE THAT THE SYRIA-IRAQI RELATIONSHIP HAS COOLED  
SOMEWHAT SINCE THE SYRIA-IRAQI AGREEMENT WAS SIGNED IN  
1954. THIS REPORT IS BASED ON A VISIT TO DAMASCUS BY  
A MEMBER OF THE SYRIAN DELEGATION TO THE ARAB LEAGUE  
MEETING IN BAGDAD, IRAQ, IN OCTOBER, 1955.
2. PRESIDENT ASSAD PUBLICLY VENTED HIS FRUSTRATIONS IN A  
RECENT INTERVIEW WITH THE WEST GERMAN MAGAZINE DER SPIEGEL.  
HE SAID HE HAD NOT ACHIEVED ANYTHING SINCE 1945, AND THAT  
HE HAD TO BE "DAILY" EFFORT TOWARD IRAQ. HE SAID THAT  
IT MIGHT BE NECESSARY TO LEAVE DAMASCUS "UNTIL OUR BROTHERS  
IN IRAQ WILL BE WILLING TO EMBARK AGAIN ON THE COMMON  
ROAD." HE ADDED, "THIS IS SOLELY UP TO THE IRAQI  
LEADERSHIP."
3. THE SYRIAN LEADERSHIP IN DAMASCUS DO NOT HAVE THE SYRIAN  
INNOVATION OF ANY COMPLICITY IN WHAT IS GOING ON IN IRAQ. SOME  
STATEMENT WAS PROBABLY NECESSARY BECAUSE IRAQI ACCUSATIONS  
AGAINST THE SYRIANS, THOUGH VAGUE, IN VARIOUS TERMS, HAD  
REACHED A LEVEL THAT DAMASCUS MUST HAVE FOUND UNBEARABLE.
4. A MEMBER OF THE SYRIAN DELEGATION TO THE ARAB LEAGUE  
MEETING IN BAGDAD, IRAQ, IN OCTOBER, 1955, VISITED THE  
MEMORANDUM OF A PRINCIPAL IRAQI CONTRIBUTOR AND  
INDICATED TO A NUMBER OF ARAB CAPITALS FOR PRIVATE  
USE.

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(B) REINFORCING THIS, USINT BAGHDAD NOTES, WERE WIDE-SPREAD REPORTS IN BAGHDAD THAT SAIDAM HAD TOLD THE PAATH PARTY FAITHFUL OF THE SYRIAN PRESIDENT'S PERSONAL INVOLVEMENT IN THE PLOT AGAINST BIR.

4. THE SYRIANS, BEFORE THE DER SPINDEL INTERVIEW, HAD INCREASED IRAQI ANXIETY BY DISPATCHING FOREIGN MINISTER PADAMIAN TO TEHRAN FOR WIDELY PUBLICIZED MEETINGS WITH IRANIAN LEADERS, INCLUDING AYATOLLAH KHOMEINI. BAGHDAD IS HIGHLY SUSPICIOUS OF IRAN, AND THE IRAQIS ARE PRONE TO FEAR A SINISTER LINK BETWEEN THE SHIITES OF IRAN AND IRAQ AND THE ALAWITE MINORITY THAT RULES SYRIA. WE HAVE NO FIRM EVIDENCE THAT SAIDAM'S VISIT TO IRAN PRODUCED ANY ANTI-IRAQI PLANNING.

5. FOR NOW, THE IRAQIS, WHO WERE THE DRIVING FORCE BEHIND THE APPROACHMENT WITH SYRIA, MAY BE CONTENT TO LET THE RELATIONSHIP MARK TIME WHILE THEY LOOK FOR OTHER WAYS TO MAINTAIN COEXISTENCE TO BUYER AND THE CAMP DAVID AGREEMENTS. FOR EXAMPLE, IRAQ IS NOW PUSHING ITS RELIGIONIST IDEAS IN THE NON-ALIGNMENT MOVEMENT AND WILL PROBABLY HIDE THAT AREA FOR MAXIMUM GAIN BEFORE RETURNING TO CONCENTRATE ON THE MORE HARBOR FRONT OF ARAB OPPOSITION TO THE PEACE PROCESS.

6. IRAQ MAY ALSO PUSH HARD ON IMPROVING ITS TIES WITH SAUDI ARABIA AND JORDAN, IN ORDER TO STIMULATE ANTI-TREATY EFFORTS. IN THIS REGARD, IT WILL PROBABLY WATCH CLOSELY TO SEE WHAT COMES OF KING HUSSEIN'S VISIT TO THE UNITED STATES THIS MONTH. SIMILARLY, IRAQ WILL SCRUTINIZE THE SAUDIS' REACTIONS FOR ANY SIGNS THAT THEY ARE PLEASED BY US EFFORTS TO ATTRACT PALESTINIANS TO THE PEACE PROCESS.

7. (U) DAYAN-MEETING WITH PLO: THE JERUSALEM POST REPORTED SEPTEMBER 4 THAT MOSHE DAYAN HAD MET WITH A LEADING WEST BANK COMMUNIST, DR. HASSID, WHO HOLDS A SEAT ON THE PALESTINE NATIONAL COUNCIL (THE PLO'S LEGISLATURE). THIS MEETING FOLLOWS AN EARLIER HIGHLY PUBLICIZED MEETING DAYAN HELD WITH A LEADING PLO SYMPATHIZER IN THE US, AT 12. INFORMED MILITARY SOURCES TOLD US NO AGREEMENT TO MEETINGS HAD THE AGREEMENT IN PRINCIPLE OF DEFENSE MINISTER KALILAN.

A NEARBY EDITORIAL ASKS, HOW THE ISRAELIS CAN EXPECT FRIENDLY COUNTRIES NOT TO HOLD MEETINGS WITH PLO REPRESENTATIVES WHEN THE FOREIGN MINISTER OF ISRAEL INITIATES A MEETING WITH A FULLY FLEDGED PRO-SAYYID POSITION. THE QUESTION WILL NATURALLY BE ASKED IN THE US WHERE PEOPLE WILL WANT TO KNOW WHY THE US AMBASSADOR TO THE UN HAS TO HOLD

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MEETINGS WITH THE UN PLO OBSERVER UNDERGROUND AND PAY DEARLY FOR IT.

P. (U) ISRAEL-US AID: THE AMOUNT OF US AID TO ISRAEL WAS, ALONG WITH THE SADAT VISIT, A MATTER OF GREAT CONCERN TO THE ISRAELI PRESS SEPTEMBER 4. HA'ARETZ AND DAVAR COMMENTED UNFAVORABLY ON ISRAEL'S ALLEGED PLANS TO ASK FOR 2 TO 3.4 BILLION DOLLARS IN US ASSISTANCE. AT A GOVERNMENT DEBATE ON THE AID REQUEST, FOREIGN MINISTRY OFFICIALS EXPRESSED RESERVATIONS ABOUT A REQUEST OF SUCH PROPORTIONS. SOME OF THE PARTICIPANTS IN THE DELIBERATIONS ESTIMATED THAT, IT WOULD BE VERY DIFFICULT TO ASK THE AMERICANS FOR SUCH MASSIVE AID IN 1980 AND THE YEARS TO

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US GOVERNMENT PRINTING OFFICE: 1977-224,923

FOLLOW WITHOUT SIGNIFICANTLY ALTERING THE COURSE OF THE ISRAELI ECONOMY." BARABETZ WRITES THAT, THE REFERENCE IS MAINLY TO THE CONCEPT THAT AT A CERTAIN POINT THE AMERICANS WILL ASK THEMSELVES AND THE ISRAELI HOW FAR THE AMERICAN TAX PAYER WILL FUND THE VERY HIGH AND UNJUSTIFIED STANDARDS OF LIVING OF THE ISRAELI POPULATION."

10. (C) ISEP PAN-VOLUNTARY AGENCIES: A MEMBER OF THE ECONOMIC CENTRAL COMMITTEE WHICH DOES AID PROJECTS IN THE WEST BANK TOLD CONGRATULATORY GENERAL COMMENTS THAT ISRAEL CONTINUES ITS EFFORTS TO CURTAIL VOLUNTARY AGENCY EFFORTS IN THE WEST BANK. THE MILITARY GOVERNMENT DOES NOT PERMIT ITS PALESTINIAN OFFICIALS TO HAVE CONTACTS WITH THE AGENCIES, HAS REFUSED TO GRANT CUSTOMS PERMITS FOR GOING PROJECTS, AND HAS DELAYED REISSUING A TEMPORARY RESIDENCE PERMIT TO A MCC AMERICAN VOLUNTEER. MORE RECENT WERE REPORTS FROM PALESTINIANS THAT AN OFFICIAL OF THE MILITARY GOVERNMENT TOLD THEM THAT JEWISH SETTLERS IN THE JORDAN VALLEY HAVE COMPLAINED ABOUT AGRICULTURAL IRRIGATION PROJECTS IN THE VALLEY. ACCORDING TO THE

OFFICIALS, THESE PROJECTS "EXCEEDED WHAT IS ALLOWED." THESE PROJECTS ARE SPONSORED BY THE MCC.

11. (C) ISRAEL-NO WA(OIL): THE NORWEGIAN FOREIGN MINISTRY DEPARTMENT-GENERAL TOLD AN AMBASSY CONSUL OFFICER THAT ISRAELI OIL MINISTER MCLAI WOULD VISIT OSLO ON SEPTEMBER 12 TO CALL ON THE MINISTER OF ENERGY. THE DEPARTMENT-GENERAL WAS UPSET WITH NORWAY'S AMBASSADOR IN ISRAEL FOR ARRANGING THE VISIT DIRECTLY WITH THE ENERGY MINISTRY SINCE IT COULD NOT BE PROFITFUL FOR EITHER SIDE.

12. (U) SABAT-HAIFA VISIT: ACCORDING TO PETER, SABAT RALLIED INTO HAIFA ON SEPTEMBER 4 TO A WARM WELCOME FROM PRESIDENT NAVON, PRIME MINISTER BEGIN, AND A HOST OF ISRAELI POLITICAL AND RELIGIOUS PERSONALITIES. AFTER THE RECEPTION TALKS BETWEEN SABAT AND BEGIN ARE PRE-

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EDICTED TO CONCENTRATE ON THE FOLLOWING ISSUES:

(A) PALESTINE SELF-RULE IN THE OCCUPIED WEST BANK AND GAZA, PARTICULARLY THE ISSUES OF ORGANIZATION OF ELECTIONS AND THE AMOUNT OF FREEDOM PALESTINIANS ARE TO HAVE;

(B) ISRAEL'S WITHDRAWAL FROM SINAI AND THE EGYPTIAN SUPPLY OF ISRAEL WITH OIL; AND

(C) THE STATUS OF ARAB EAST JERUSALEM.

U.S. Government Printing Office: 1977-275-121

12. (A) ALI-WEIZMAN MEETING: ACCORDING TO JERUSALEM RADIO, EGYPTIAN DEFENSE MINISTER ALI SAID THAT IN HIS MEETING WITH DEFENSE MINISTER WEIZMAN, THEY WOULD PRODUCE A PROPOSAL FOR SOLVING THE PROBLEM OF SUPERVISION OF THE SINAI AFTER THE WITHDRAWAL OF UN FORCES.

13. (B) ARENS-LINKING SINAI WITHDRAWAL: IN A TEL AVIV RADIO BROADCAST, CHAIRMAN OF THE KNESSET FOREIGN AFFAIRS AND SECURITY COMMITTEE, YC MOSHE ARENS, SAID THAT PRIME MINISTER BEGIN IN HIS MEETINGS WITH SADAT SHOULD DEMAND THE SIGNING OF AN AGREEMENT THAT WILL ASSURE THE SUPPLY OF EGYPTIAN OIL TO ISRAEL IN QUANTITIES SUFFICIENT FOR ALL ITS NEEDS AND THAT THIS DEMAND SHOULD BE DIRECTLY LINKED TO ISRAELI WITHDRAWAL.

14. (S) BEGIN-ROMANIAN ENVOY: ACCORDING TO EMBASSY TEL TEL AVIV SIGNS ARE THAT THE UNANNOUNCED VISIT TO PRIME MINISTER BEGIN BY A ROMANIAN ENVIASSARY WAS MAINLY INFORMATIONAL. LASILE PURCAN, WHO ARRIVED AUGUST 31, BRIEFED BEGIN ON CEAUSESCU'S RECENT TRIP TO THE MIDDLE EAST. THE MEETING WAS REPORTEDLY STRAINED BY BEGIN'S REFUSAL TO LISTEN TO AN ACCOUNT OF CEAUSESCU'S TALKS WITH ARABIS AND BY HIS CRITICISM OF CEAUSESCU'S STATEMENT FOLLOWING HIS SESSIONS WITH ARABAT AND ASSAD.

15. (C) ARAB LEAGUE: A TUNISIAN OFFICIAL TOLD EMBASSY TEL TEL AVIV THAT THE ARAB LEAGUE COUNCIL OF FOREIGN MINISTERS WILL HOLD AN ORDINARY SESSION IN TUNIS SEPTEMBER 11. HE SAID THE MEETING WILL BE LARGELY ADMINISTRATIVE AND THAT A LIST OF PROPOSALS FOR THE ECONOMIC BOYCOTT OF EGYPT WOULD BE POSITIONED PENDING EXAMINATION OF THE PROGRESS (ON IAC THEROPY) OF THE AUTONOMY TALKS. HOWEVER, A BBC CORRESPONDENT TOLD THE EMBASSY THAT SHE WAS INVITED TO COVER A MEETING OF ARAB LEAGUE ECONOMIC MINISTERS WHICH WAS TO BE HELD SEPTEMBER 4 IN TUNISIA. AN ARAB LEAGUE OFFICIAL SAID THE PURPOSE OF THE MEETING IS TO STUDY THE BOYCOTT ISSUE IN PREPARATION FOR THE FOREIGN MINISTERS' SEPTEMBER 11 MEETING.

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16. (C) AMALIL-US: EMBASSY CAIRO REPORTS THAT SAHIL PLACED GREAT EMPHASIS IN A RECENT CAIRO RADIO INTERVIEW ON THE CENTRALITY OF THE US ROLE IN THE PEACE NEGOTIATIONS. THIS, IN EMBASSY CAIRO'S VIEW, IS AN EFFORT TO DEMONSTRATE PUBLICLY THAT ANY SHADOWS IN THE US-EGYPTIAN RELATIONSHIP HAVE PASSED, DESPITE THE APPARENT ANNOYANCE OF SADAT AND AMALIL WITH INITIAL US POLICY ON THE PALESTINIAN RIGHTS QUESTION.

17. (LOU) EGYPT-CRITICISM OF SAHIL ABRAHIA: IN MEETINGS WITH SEVERAL NEWSPAPER EDITORS, EMBASSY CAIRO OFFICIALS WERE TOLD THAT EGYPTIAN EDITORS DO NOT FEEL UNDER OBLI-

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TION TO AVOID ATTACKING SAUDI ARABIA DESPITE THE FACT  
THAT SAUDI GOVERNMENT INSTRUCTIONS TO AVOID SUCH ATTACKS  
HAVE NOT EXPLICITLY BEEN RESCINDED. THE EDITORS APPARENTLY  
WERE NOTING INPUT FROM SAUDI'S PUBLIC CRITICISM OF THE  
ARABIC. HOWEVER, SEVERAL EDITORS INDICATED THAT THE CURRENT  
CAMPAIGN WILL PROBABLY NOT BE SUSTAINED AT THE PRESENT  
LOW LEVEL OF REPORTS.

W/2  
4. (C) US/YAR BILATERAL RELATIONS: ACCORDING TO EMBASSY  
SANA, DURING A MEETING OF THE AMBASSADOR WITH PRESIDENT  
SALIH ON SEPTEMBER 2, SALIH DISCUSSED VARIOUS ASPECTS OF  
HIS ARMS PROGRAM WITH THE US AND ISSUED AN OFFICIAL INVITATION  
TO THE US SECRETARY OF DEFENSE OR DEPUTY SECRETARY  
TO ATTEND YAR NATIONAL DAY CELEBRATIONS ON SEPTEMBER 28.  
THE AMBASSADOR CONSIDERS IT HIGHLY DESIRABLE FOR THE NEW  
DEPUTY SECRETARY OF DEFENSE TO STRIVE TO "GIVE NEW IMPETUS  
TO OUR MILITARY ASSISTANCE EFFORT" AND AS A SYMBOL OF  
DIRECT US/YEMEN MILITARY COOPERATION.

W/3  
SALIH CONCERNS OF SALIH'S EXPRESSED AT THE MEETING WERE AS  
FOLLOWS:

(A) SALIH ACKNOWLEDGED THE LEGITIMACY OF SAUDI INTEREST  
IN THE ARMS SUPPLY BUT FELT THAT ONCE ARMS WERE PAID FOR  
BY SAUDI ARABIA, THEY SHOULD BE SHIPPED DIRECTLY TO THE  
YAR.

(B) SALIH WISHES TO DISPLAY ON SEPTEMBER 28 ALL THE Y-22,  
THE TWO C-130S AND AS MUCH OTHER US EQUIPMENT AS POSSIBLE  
(EMBASSY SANA FEELS THAT IF FOR ANY REASON THE AIRCRAFT  
WAS NOT AVAILABLE SALIH MAY USE THEIR ABSENCE AS A JUSTI-  
FICATION FOR A NEW SOVIET ARMS DEAL.)

(C) (D) EGYPT-RESCUED: THE 1967 YAR EXPRESSION OF GRATI-  
TUDE FOR EGYPTIAN MILITARY ASSISTANCE RECEIVED PROMINENT  
PAGE COVERAGE IN THE SAUDI PRESS ON SEPTEMBER 4  
INCLUDING AN AMERICAN DEBATE, SAUDI. THE FIRST SHIPMENTS

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SECRET SECTION 01 OF 03 STATE 238042/01

D.O. 10000 SCS 9/1/68 (MONTVILLE, JOSEPH V.)

INFO: HQ, IS, PINS

SUBJECT: INTSUM 044- SEPTEMBER 12, 1970

LEADON FOR GIASPIE  
PARIS FOR NICHOLAS MURPHY  
FOR/ISA FOR PARSON  
OTHER ADDRESSEES FOR CHIEFS OF MISSION

(PARAGRAPHS 1-12 SECRET)

1. PROSPECTS FOR A CHANGE IN ISRAEL'S SETTLEMENT POLICY:  
CONCERN AMONG ISRAELIS OVER THE PERCEIVED EROSION IN  
IS-ARAB RELATIONS IN RECENT YEARS HAS LED TO INEVITABLE  
CRITICISM OF THE BENCH GOVERNMENT'S HANDLING OF ISRAEL'S  
ARAB RELATIONS GENERALLY. THE CRITICISM HAS CENTERED  
IN PARTICULAR UPON THE CABINET'S POLICY OF CONTINUING TO  
Pursue NEW SETTLEMENTS IN THE DENSELY ARAB-POPULATED  
TERMINUS OF THE WEST BANK.

2. CRITICS OF THIS POLICY HAVE CONTENDED THAT IT  
DAMAGES ISRAEL'S IMAGE IN THE MIDDLE EAST. THIS MESSAGE HAS BEEN  
RECEIVED FROM THE US BY ISRAELI VISITORS OF VARYING  
POLITICAL PERSUASIONS AND HAS BEEN HAMMERED HOME BY

NEWSPAPERS ASSOCIATED WITH THE LABOUR PARTY, AS WELL AS  
BY THE INDEPENDENT HA'ARETZ.

3. WITHIN THE COALITION THERE EXISTS CONSIDERABLE  
OPPOSITION TO THE ESTABLISHMENT OF NEW SETTLEMENTS AT  
THIS TIME.

(A) YE'IN AND MID-TERM CRATIC MOVEMENT ARE THE MOST  
VOTING GROUPS.

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(B) DAYAN AND WEIZMAN REGARD THE CABINET'S SHARON-INSPIRED POLICY AS HIGHLY IMPROUDENT.

(C) MOST LIBERALS ARE ON A SIMILAR WAVE-LENGTH.

(D) THE ULTRA-ORTHODOX, NON-ZIONIST AGUDAT YISRAEL HAS ALSO INDICATED THAT IT IS UNHAPPY WITH THE CABINET'S POLICY.

U.S. GOVERNMENT PRINTING OFFICE: 1972-272-272

4. OUTSIDE THE COALITION, THE LABOR PARTY HAS BEEN CRITICAL OF THE POLICY OF ESTABLISHING SETTLEMENTS IN THE ARAB PORTIONS OF THE WEST BANK. WHILE CONTINUING TO FAVOR SETTLEMENT IN THE JORDAN VALLEY, MANY LABORITES ARE INCREASINGLY INCLINED TO FAVOR A DE FACTO MORATORIUM ON THE ESTABLISHMENT OF ALL NEW SETTLEMENTS AT THIS TIME. FORMER PRIME MINISTER RASIN HAS PUBLICLY SUGGESTED THE WISDOM OF SUCH A STEP.

5. IN VIEW OF ALL OF THESE PRESSURES, WHY HAS THERE BEEN NO CHANGE IN THE SETTLEMENT POLICY OF THE BEGIN GOVERNMENT? THERE ARE THREE ANSWERS: SHARON, HAMMER, AND BEGIN.

6. SHARON HAS BEEN THE ENGINE FOR THE ESTABLISHMENT OF NEW SETTLEMENTS THROUGHOUT THE TENURE OF THIS GOVERNMENT. THE "SHARON BULLDOZER" HAS TAKEN ADVANTAGE OF HIS POSITION AS CHAIRMAN OF THE MINISTERIAL COMMITTEE ON SETTLEMENTS, OF BEGIN'S ADMIRATION FOR HIM, AND OF HIS TIES WITH THE GUSH EMUNIM SETTLEMENT MILITANTS TO PRESENT THE CABINET WITH FACTS ACCOMPLI.

7. SHARON'S ACHIEVEMENTS ARE LARGELY DUE TO THE SUPPORT THAT HE HAS RECEIVED FROM HAMMER. SO FAR AS WE KNOW, HAMMER HAS NOT INITIATED PROPOSALS FOR NEW SETTLEMENTS, BUT HE HAS BACKED SHARON FULLY ON VIRTUALLY EVERY OCCASION. SHARON, DESPITE HIS POWERFUL PERSONALITY AND HIS IRON DETERMINATION, HAS LITTLE INDEPENDENT POLITICAL

POWER. HAMMER, BY CONTRAST, WIELDS GREAT POWER. AS THE DE FACTO LEADER OF THE NATIONAL RELIGIOUS PARTY (NRP), HE COULD BRING THE GOVERNMENT DOWN ON THE WEST BANK ISSUE IF HE CHOOSES TO DO SO.

8. HAMMER REMAINS FIRMLY COMMITTED TO THE PRINCIPLE OF JEWISH SETTLEMENT THROUGHOUT JUDEA AND SAMARIA, BUT HE HAS BECOME MORE SOPHISTICATED SINCE BECOMING MINISTER OF EDUCATION. HE HAS INDICATED THAT HE WOULD PREFER A POLICY OF EXPANDING EXISTING SETTLEMENTS RATHER THAN ESTABLISHING NEW ONES.

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TWO YEARS SINCE THE ESTABLISHMENT OF THE LIKUD-NRP COALITION, BEGIN HAS TRAVELLED MUCH FARTHER DOWN THE ROAD OF PRAGMATISM THAN HAMMER. HAMMER'S COLLEAGUES IN THE YOUTH FACTION OF THE NRP NO LONGER TRUST BEGIN. HAMMER HAS BEEN AFFECTED BY THESE DEVELOPMENTS, AND IS LESS INCLINED TO FOLLOW BEGIN'S LEAD THAN PREVIOUSLY.

11. BEGIN COMBINES AN INTENSE ATTACHMENT TO HIS IDEOLOGICAL PRINCIPLES WITH OCCASIONAL PRAGMATISM. SETTLEMENT RECONSTITUTES A KEY IDEOLOGICAL REDOUT FOR BEGIN. HE IS EXTREMELY SENSITIVE TO ACCUSATIONS OF IDEOLOGICAL EROSION FROM HIS OLD COLLEAGUES. WEAPONED POLITICALLY BY A SHARP EROSION IN HIS POPULARITY, BY HAMPAGING INFLATION, BY INTENSIFIED INTRA-CABINET AND INTRA-COALITION HICKERING, HE HAS LITTLE STOMACH FOR TESTING THE LIMITS OF HIS POWER IN THE FACE OF A REDUCED PARLIAMENTARY BASE.

12. WHILE BEGIN MIGHT BE ABLE TO RALLY CABINET SUPPORT FOR A DE FACTO MORATORIUM ON NEW SETTLEMENTS, SUCH A TIPP WOULD ENTAIL POLITICAL JEOPARDY. THE COALITION COULD SURVIVE A RESIGNATION BY SEARON, BUT IT WOULD PROBABLY NOT BE ABLE TO SURVIVE HAMMER'S WITHDRAWAL. EVEN IF HAMMER RESIGNED FROM THE CABINET WITHOUT PULLING THE NRP OUT OF THE COALITION, HIS MOVE WOULD STILL PROBABLY PROVE FATAL TO THE COALITION BEFORE TOO LONG.

13. (C) ISRAEL-KNESSET DEBATE ON SETTLEMENTS: EMBASSY TAL AVIV REPORTS THAT DEPUTY PRIME MINISTER YADIN, BY THREATENING TO RESIGN, HAS EXTRACTED FROM BEGIN RESTORATION OF HIS PARTY'S SPECIAL RIGHT OF APPEAL ON SETTLEMENTS TO THE KNESSET FOREIGN AFFAIRS AND DEFENSE COMMITTEE, WHICH HE INTENDS TO EXERCISE AS SOON AS POSSIBLE. WHILE BEGIN BELIEVES HE CAN MUSTER SUPPORT IN THE COMMITTEE, THE VOTE WILL CERTAINLY BE A CLOSE ONE. (BEGIN MAY ENJOY NO MORE THAN A ONE VOTE MAJORITY IF ALL TWENTY-FIVE MEMBERS ON THE COMMITTEE VOTE.) HOWEVER, EVEN IN THE EVENT THE KNESSET COMMITTEE SUPPORTS YADIN AND VOTES

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AGAINST THE TWO SETTLEMENTS IN QUESTION, IT IS NOT LIKELY TO PRESAGE ANY GENERAL MORATORIUM ON SETTLEMENTS SINCE IT WOULD BE BASED LARGELY ON FLAGRANT IRREGULARITIES IN THE MINISTERIAL DEFENSE AND JOINT SETTLEMENTS COMMITTEES' PROCEDURES.

U.S. GOVERNMENT PRINTING OFFICE: 1977-25-323

14. (U) DAYAN-BONN VISIT: ACCORDING TO REUTER, ISRAELI FOREIGN MINISTER MOSE DAYAN FINISHED HIS ROUND OF TALKS WITH WEST GERMAN CHANCELLOR HELMUT SCHMIDT AFTER ASSURANCES THAT BONN HAD NOT CHANGED ITS STANCE ON THE MIDDLE EAST. THE CHANCELLOR'S PHRASING IS REPORTEDLY VIEWED AS AN ATTEMPT TO COUNTER CRITICISM FROM ISRAEL ABOUT RECENT GERMAN CONTACTS WITH THE PLO. IN A DINNER SPEECH ON SEPTEMBER 10, DAYAN CRITICIZED THE FACT THAT BONN SPEAKS OF THE PALESTINIAN RIGHT TO SELF-DETERMINATION, ALTHOUGH THIS CONCEPT WAS NOT MENTIONED, ACCORDING TO DAYAN, IN ANY IFC STATEMENT OR IN THE CAMP DAVID ACCORDS. DAYAN NOTED AFTER HIS FIRST SERIES OF TALKS THAT TRUST HAD BEEN RESTORED BETWEEN THE TWO SIDES BUT INFORMED SOURCES SAID THAT DESPITE SUCH DECLARATIONS, A NUMBER OF DIFFICULTIES REMAINED, MOST NOTABLY THE WEST GERMAN INSISTENCE ON THE PALESTINIANS' RIGHT FOR SELF-DETERMINATION, CRITICISM OF ISRAEL'S SETTLEMENTS IN THE OCCUPIED TERRITORIES AND ITS ROLE IN LEBANON. ACCORDING TO REUTER, AT A PRESS CONFERENCE CONCLUDING HIS VISIT TO BONN, DAYAN STATED CLEARLY THAT THE FOUNDING OF A PALESTINIAN STATE WITHIN THE FRAMEWORK OF A MIDDLE EAST SETTLEMENT IS OUT OF THE QUESTION FOR ISRAEL.

15. (U) SAUDI ARABIA-IRAQ CHANGING OIL POSITIONS: ACCORDING TO A MIDDLE EAST ECONOMIC SURVEY (MEES) ARTICLE, IRAQ HAS INFORMED MANY OF ITS OIL CUSTOMERS THAT THEIR CONTRACTS WILL BE TERMINATED AT THE END OF THIS YEAR WHEN DIFFERENT CONDITIONS WILL BE INTRODUCED, NAMELY: A POSITIVE COMMITMENT TO COMPLY WITH IRAQI LAWS, INCLUDING THE BOYCOTT REGULATIONS AND AN UNDERTAKING NOT TO SEND OIL TO OR THROUGH ISRAEL, EGYPT, SOUTH AFRICA OR RHODESIA. MEES SAID THE COMPANIES MOST AFFECTED WOULD LIKELY BE US ONES, WHICH WOULD BE UNABLE TO SIGN CONTRACTS INCLUDING ANY BOYCOTT OF ISRAEL CLAUSES. MEES REPORTED THAT COMPANIES THAT HAD RECEIVED TERMINATION NOTICES WERE BELIEVED TO INCLUDE SHELL, BRITISH PETROLEUM, GULF OIL, EXXON, AND POSSIBLY, AMOCO. IF NO COMPROMISE IS FOUND AND IF ALL AMERICAN LIFTINGS OF IRAQI CRUDE WERE ELIMINATED BY THE END OF THE YEAR, 300,000 TO 400,000 BARRELS PER DAY WOULD BE FREE FOR DELIVERY TO ISRAEL.

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IN AN INTERVIEW WITH A DANISH RADIO STATION SHAYKH AHMAD  
SAYI YAMANI REPORTABLY HINTED AT THE POSSIBILITY OF A  
SLIGHT INCREASE IN OIL PRICES. HE ALSO SAID THAT HE  
WELCOMED THE IDEA OF IMPOSING SUPERVISION ON OIL COMPANIES  
WHICH MAKE UNLAWFUL PROFITS AND EXPRESSED THE HOPE THAT  
THE DECISIONS ADOPTED BY THE TOKYO INDUSTRIAL SUMMIT  
MEETINGS WOULD BE IMPLEMENTED.

15. (U) ALI HAMDY AL-GAMMAL DIES: ALI HAMDY  
AL-GAMMAL, CHAIRMAN OF THE BOARD AND EDITOR IN CHIEF OF  
AL-AHRAM, CAIRO'S BEST KNOWN NEWSPAPER, DIED SEPTEMBER 10  
AT HIS HOTEL IN WASHINGTON. AL-GAMMAL WAS HERE TO COVER  
EGYPTIAN VICE PRESIDENT HOSNI MUBARAK'S VISIT TO THE US.

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U.S. GOVERNMENT PRINTING OFFICE: 1977-213-333

17. (LOU) ARAB LEAGUE MEETING POSTPONED TO SEPTEMBER 16:  
THE EMPASSY IN TUNIS REPORTS THAT THE ARAB LEAGUE  
FOREIGN MINISTERS' MEETING IN TUNIS HAS BEEN POSTPONED  
UNTIL SEPTEMBER 16 AT THE REQUEST OF SAUDI ARABIA.  
ACCORDING TO A RELATED REPORT FROM HESTER, RENE MOAWAD,  
ENVOY OF LEBANESE PRESIDENT ELIAS SARRIS, HAS BEEN TOUCHING  
ARAB CAPITALS TO CANVASS SUPPORT FOR AN ARAB SUMMIT TO DEAL  
WITH THE DETERIORATING SITUATION IN SOUTH LEBANON. THE  
TUNIS MEETING, REPORTEDLY, ALSO WILL STUDY A REPORT BY  
THE LEAGUE SECRETARY-GENERAL ON POSSIBLE AMENDMENTS TO THE  
LEAGUE'S CHARTER.

18. (LOU) LEBANON/ARMENIANS-RIGHTIST CLASH:  
ON SEPTEMBER 19 RIGHTIST MILITIA PATROLS REPORTEDLY  
CLASHED WITH ARMENIAN GUNMEN IN CHRISTIAN EAST BEIRUT.  
ONE TO THREE PERSONS WERE REPORTED KILLED AND FIVE TO  
TEN WERE WOUNDED.

19. (U) PATAH-WEST GERMANY: AFTER A WAVE OF BOMBINGS  
IN BEIRUT AGAINST PFG INSTALLATIONS BY AN UNKNOWN  
PALESTINIAN GUERRILLA GROUP, PATAH HAS MOUNTED A 24-HOUR  
GUARD ON THE PFG EMBASSY. IT HAS ALSO WARNED THAT IT  
WOULD PUNISH ANYBODY WHO ATTACKED PFG INSTITUTIONS IN  
BEIRUT.

20. (LOU) RETURN OF PROMINENT WEST BANKER DECEDED: THE  
ACTING PRESIDENT OF BIR ZEIT UNIVERSITY ON THE WEST BANK  
HAS TOLD CONSULATE GENERAL JERUSALEM THAT THE UNIVERSITY  
WAS EXERTING STRONG EFFORTS WITH DEFENSE MINISTER WEIZMAN  
TO PERMIT KILLED BIR ZEIT PRESIDENT HANNA NASIR TO RETURN  
AND RESUME HIS FUNCTIONS. ACCORDING TO BARAMI, NASIR  
WAS ABLE TO RETURN TO POLITICAL WORK IN BEIRUT IN 1978.

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TO INTSUM COLLECTIVE PRIORITY  
INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2815  
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S E C R E T SECTION 81 OF 83 STATE 245442/01

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W.O. 12865 3DS 9/18/85 (MONTVILLE, JOSEPH V.)

INFO: EG, IS, PIMR

SUBJECT: ITUM 800 - SEPTEMBER 18, 1979

LONDON FOR GLASPIA  
PARIS FOR NICHOLAS MURPHY  
WOT/ISA FOR RA 504  
OTHER ADDRESSEES FOR CHIEFS OF MISSION

(PARAGRAPHS 1-5 LIMITED OFFICIAL USE)

1. INITIAL REACTIONS TO PRIVATE ISRAELI LAND PURCHASES IN THE OCCUPIED TERRITORIES: THE ISRAELI CABINET DECISION TO PERMIT ISRAELI CITIZENS AND ASSOCIATIONS TO PURCHASE LAND IN THE WEST BANK AND GAZA STRIP CAME AS A GENERAL SURPRISE. JERUSALEM RADIO SAID THAT THE PROPOSAL, SUBMITTED TO THE CABINET BY PRIME MINISTER BEGIN, WAS BASED ON A DRAFT BY DEFENSE MINISTER WEIZMAN, LATER AMENDED BY THE GOVERNMENT'S LEGAL ADVISOR. THE RADIO CORRESPONDENT SAID THAT RESPONSIBILITY FOR IMPLEMENTING THE DECISION WILL COME UNDER THE ALREADY EXISTING MINISTERIAL COMMITTEE ON SECURITY AFFAIRS.

2. PARLAMENT SECRETARY ARYE NAOR EXPLAINED THE DECISION IN TERMS OF ENDING "DISCRIMINATION" AGAINST JEWS. HE SAID CLAIMS THAT THE DECISION HAD BEEN ADOPTED FOLLOWING PRESSURE BY GUSH ENDAM, WHICH HAD RAISED THE ISSUE IN SEVERAL RECENT MEETINGS THAT IT HELD WITH THE PRIME MINISTER. NAOR NOTED THAT THE LIKUD HAD CAMPAIGNED ON THE ISSUE TWO YEARS AGO AND THAT ITS PROMISE WAS NOW BEING FULFILLED. HE INDICATED, HOWEVER, THAT JEWS WHO PURCHASE LAND CANNOT LIVE ON IT WITHOUT THE SPECIAL PERMISSION OF THE MILITARY GOVERNMENT.

5 GOVERNMENT SOURCES TOLD REUPER THAT HE EXPECTED THAT

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THE FIRST DEALS UNDER THE NEW RULING WOULD INVOLVE THE SALE OF PROPERTY NEAR EXISTING SETTLEMENTS.

4. ARAB WORLD REACTIONS: REACTIONS TO THE DECISION IN THE ARAB WORLD WERE SWIFT AND BITTER.

(A) THE MAYORS OF THE PREDOMINANTLY CHRISTIAN TOWNS OF BETHLEHEM, BAYT JALA, AND BAYT SAHUR DENOUNCED THE DECISION. BETHLEHEM MAYOR FREIJ TOLD NEWSMEN THAT IT ENTAILED GRAVE CONSEQUENCES, "FOR IT MEANS THE ISRAELI GOVERNMENT WILL FORGE AHEAD IN IMPLEMENTING ITS POLICY ON LOCAL ADMINISTRATION BEFORE THE COMPLETION OF THE NEGOTIATIONS...."

(B) THE MUNICIPAL COUNCIL OF GAZA CITY MET IN SPECIAL SESSION SEPTEMBER 17 AND AFTERWARD REPORTED THAT IT HAD SENT LETTERS OF PROTEST TO THE THREE SIGNATORIES OF THE CAMP DAVID AGREEMENTS. IT CALLED THE DECISION A BLOW AT ANY ATTEMPTS TO REACH A MIDDLE EAST PEACE AND SAID THAT THE STEP WAS TAKEN IN ORDER TO ALLOW GUSH EMUNIM TO CONTINUE ITS WEST BANK SETTLEMENT ACTIVITIES.

(C) AMMAN RADIO QUOTED A JORDANIAN NEWSPAPER AS SAYING THAT THE DECISION WAS MADE ON THE BASIS OF BEGIN'S PLAN, WHICH IS CONDONED BY THE CAMP DAVID ACCORDS. IT SAID THAT "THE DENIALS WHICH ARE MADE BY CAIRO AND WASHINGTON ARE MERELY MEANT TO THROW SAND IN THE ARABS' EYES. AL-DUSTUR NOTED THAT THE DECISION COINCIDES WITH THE FIRST ANNIVERSARY OF THE CAMP DAVID ACCORDS AND QUOTED PRESIDENT KAMEH'S STATEMENT CALLING ON OTHER ARAB LEADERS TO JOIN THE PEACE PROCESS.

(D) AN EGYPTIAN FOREIGN MINISTRY SPOKESMAN, ACCORDING TO MENA, CHARACTERIZED THE DECISION AS CONTRADICTING THE CAMP DAVID ACCORDS AND AS AN ATTEMPT TO INFLUENCE THE OUTCOME OF THE AUTONOMY NEGOTIATIONS. HE SAID: "THIS DECISION ADDS A FURTHER AND SERIOUS OBSTACLE...ALONG THE ROAD OF ACHIEVING A COMPREHENSIVE AND JUST SETTLEMENT (AND)CASTS DOUBT ON ISRAEL'S COMMITMENT AT CAMP DAVID TO RECOGNIZE PALESTINIAN RIGHTS."

5. ISRAELI REACTIONS: REACTIONS TO THE DECISION IN ISRAEL WERE MIXED BUT GENERALLY POSITIVE:

THE JERUSALEM POST CITED SEVERAL LAWYERS AS ARGUING THAT THE DECISION VIOLATED SEVERAL INTERNATIONAL LAWS. OTHER LAWYERS POINTED OUT THAT IF THE LAND POLICIES CHANGED THE STATUS OF OCCUPIED TERRITORY, IT WOULD CONTRAVENE ARTICLE 49 OF THE GENEVA

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CONVENTION.

(B) BAZDOFF SAID THAT THE DECISION SHOULD NOT BE VIEWED AS A POLITICAL MOVE BUT AS RIGHTING A JORDANIAN LAW STILL IN FORCE. IT REGRETTED THAT THE DECISION WAS SO LONG IN COMING.

(C) YEDYOT ANARONOT COMMENTED EDITORIALY: "WE HAVE A SPECIAL TALENT TO DO THINGS WHEN THE TIMING IS MOST INCONVENIENT." THE PAPER MAINTAINED THAT THE DECISION IS BETTER LATE THAN NEVER SINCE IT WOULD HAVE BEEN AN UNBEARABLE DISGRACE TO PROHIBIT JEWS FROM BUYING LAND IN "ERETZ YISRAEL."

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6. (U) ISRAELI PRESS ON GOVERNMENT DISINTEGRATION: IN AN HA'ARETZ EDITORIAL UZI BENZIMAN DESCRIBES BEGIN AS BEING IN A "BLACK MOOD...APPARENTLY CUTTING HIMSELF OFF FROM HIS SURROUNDINGS AND REACTING SLOWLY TO WHAT GOES ON AROUND HIM." HE GOES ON TO SAY THAT PROMPTED BY HIS STATE OF HEALTH OR OF MIND, BEGIN "IS OOZING TERRIBLE WEAKNESS, TO THE POINT THAT EVEN PRESIDENT SADAT HAS SENSED THE PREMIER'S SPECIAL CONDITION." SPEAKING OF "THE STENCH OF THE GOVERNMENT'S DEATH RATTLE," BENZIMAN EXPLAINS THAT "MOST CABINET MINISTERS HAVE BEEN ACTING AS IF THEY WERE ON THE BRINK OF DISASTER, THUS PROVING THAT THE INNER DESTRUCTIVE FORCES ARE FAR STRONGER THAN THE COHESIVE ELEMENTS WHICH UNITE THEM IN THEIR BASIC INTEREST TO STAY IN POWER." A YEDIOF COMMENTATOR NOTED, "THIS IS NO LONGER A CABINET WHICH HAS ALST CEASED TO FUNCTION; IT IS A BAND OF MINISTERS LED BY THEIR UNBRIDLED URGES INTO A SUICIDAL ABYSS."

ANOTHER YEDIOF CORRESPONDENT DECLARES THAT "THE PRESENT GOVERNMENT HAS SHUN LOWER IN ITS CONDUCT THAN ANY PREVIOUS GOVERNMENT...IT HAS LOST ALL SENSE OF SHAME... AND HAS BECOME THE SCENE OF GROSS VULGARITY AND OF A TOTAL LACK OF ESPRIT DE CORPS...."

7. (U) KOSIGIN ATTACKS ACCORDS: ACCORDING TO REUTERS, SOVIET PREMIER KOSIGIN ON A ONE DAY VISIT TO THE PDRY ATTACKED THE EGYPTIAN-ISRAELI ACCORDS AS AN OBSTACLE IN THE WAY OF A COMPREHENSIVE MIDDLE EAST SETTLEMENT.

8. (U) STRAUSS VISIT: THE ISRAELI PRESS IS INTERPRETING REMARKS MADE BY AMBASSADOR STRAUSS AT A SEPTEMBER 12 PRESS CONFERENCE AS AN INDICATION THAT HE WILL NOT PRESS FOR IMMEDIATE TALKS ON PALESTINIAN AUTONOMY. THE AMBASSADOR WAS QUOTED AS STATING THAT THE US WAS NOT SEEKING TO IMPOSE ANY SOLUTIONS TO THE VARIOUS PROBLEMS CONFRONTING EGYPTIAN-ISRAELI NEGOTIATIONS.

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14. (U) REPORT ON BEGIN'S FAILING HEALTH DENIED: BEGIN'S ADVISOR ON MEDIA AFFAIRS IN AN INTERVIEW WITH RADIO JERUSALEM, DENIED A REPORT IN TIME MAGAZINE THAT BEGIN WAS ADVISED BY THREE NON-ISRAELI DOCTORS NOT TO WORK MORE THAN THREE HOURS A DAY. BEGIN'S ADVISOR SAID THAT THE PRIME MINISTER WORKS FROM 9:00 A.M. TO NOON AND FROM 4:00 P.M. UNTIL EVENING EVERYDAY AND THAT THIS HAS BEEN HIS ROUTINE SINCE HE RETURNED TO A FULL WORK SCHEDULE.

15. (U) MORE ON THE LITANI AFFAIR: ACCORDING TO REUTER, A LEADING MEMBER OF THE ISRAELI KNESSET SAID SEPTEMBER 17 THAT THE TORTURE AND MURDER OF FOUR LEBANESE CIVILIANS BY AN ISRAELI OFFICER WAS NOT THE ONLY SUCH INCIDENT BUT DECLINED TO GIVE DETAILS. GENERAL LITANI, WHO HAS BEEN ATTACKED IN THE KNESSET AND THE PRESS FOR REDUCING THE SOLDIER'S SENTENCE TO TWO YEARS, SAID IN AN INTERVIEW WITH HA'ARIV SEPTEMBER 17 THAT HE DID NOT INTEND TO RESIGN AND THAT THE ACCUSED LIEUTENANT STOOD ALONE AND CRIMINAL IN AN EXTREME SITUATION TANTAMOUNT TO A THREAT TO HIS LIFE. HA'ARETZ SEPTEMBER 17 EXPRESSED "NO DOUBT ABOUT THE AUTHENTICITY OF THE STORY" AND SAID THAT THE ISRAELI PEOPLE DESERVE A CHIEF OF STAFF WHO WILL NOT SHOW TOO MUCH INDULGENCE TOWARD A CONVICTED CRIMINAL AND WHO WOULD NOT TRY TO DEFEND HIMSELF BY BLURRING THE TRUTH. HA'ARIV SAID THAT LITANI OWED THE ISRAELIS A FULL AND CANDID REPORT.

16. (U) ASSAD LYING LOW: ACCORDING TO EMBASSY MEMPHIS, ASSAD HAD BEEN UNCHARACTERISTICALLY OUT OF TOUCH, WITH ONLY ONE PUBLIC APPEARANCE SINCE HIS RETURN FROM THE NAM SUMMIT SEPTEMBER 9. THE EMBASSY BELIEVES THAT ASSAD MAY STILL BE IN LATAKIA WHERE HE WENT SEPTEMBER 12 FOLLOWING THE DISTURBANCES. ADDITIONALLY, THE LACK OF LOCAL PRESS REPORTING ON ACTIVITIES OF OTHER SYRIAN POLITICAL LEADERS HAS INCREASED SPECULATION THAT ASSAD HAS CLOBBEDED HIMSELF IN ORDER TO DRAW UP A LIST OF MEMBERS FOR A NEW CABINET.

17. (C) LATAKIA-DAMAGE EXAGGERATED BUT CITY TENSE: EMBASSY DAMASCUS REPORTS THAT LATAKIA PRESENTED FEW OUTWARD SIGNS OF DAMAGE FOLLOWING THE EXTENSIVE RIOTS WHICH OCCURRED THERE RECENTLY BUT THAT THE CITIZENRY IS DEEPLY RESENTFUL OF MUNICIPAL AND SECURITY AUTHORITIES FOR FAILING TO ANTICIPATE AND THEN QUASH THE VIOLENCE BEFORE IT GOT OUT OF HAND.

18. (U) IRAQ CALLS FOR OPEC SUMMIT IN BAGHDAD: ACCORDING

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TO RADIO BASHDAD, IRAQ SEPTEMBER 17 CALLED FOR A  
SUMMIT CONFERENCE OF OPEC HEADS OF STATE TO BE HELD IN  
BAGHDAD DURING THE SECOND HALF OF 1980 (THE TWENTIETH  
ANNIVERSARY OF OPEC'S ESTABLISHMENT). THE SOURCE  
EMPHASIZED THAT THE MEETING WOULD DISCUSS VARIOUS  
INTERNATIONAL DEVELOPMENTS, THE ENERGY ISSUE, AND THE  
WORLD ECONOMIC SYSTEM IN THE HOPE OF REACHING A STABLE  
STRATEGY FOR THE FUTURE AND TO SERVE OPEC'S INTERESTS  
AND THOSE OF DEVELOPING COUNTRIES.

14. (C) EGYPT: OIL SECTOR HIGHLIGHTS: EMBASSY CAIRO,  
UPDATING ITS ESTIMATES FOR 1979 EGYPTIAN OIL PRODUCTION,  
NOW EXPECTS EGYPT'S NEXT REVENUES TO EXCEED ONE BILLION  
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S E C R E T FINAL SECTION OF 03 STATE 245442/03

DOLLARS ON EXPORT SALES AVERAGING 158,000 BARRELS PER DAY (BPD) OUT OF A PRODUCTION TOTAL OF 530,000 BPD. CURRENT SALES OF SUKZ GULF CRUDE ARE BRISK AND THE MARKET IS BRINGING TOP PRICES OF DOLS \$2.59 PER BARREL. CONSUMER DEMAND IS COMPLICATING THE EGYPTIAN PETROLEUM COMPANY'S INTENTION TO BRING PRICES CHARGED ITS CONTRACT CUSTOMERS INTO LINE WITH THOSE QUOTED ITS SHARING PARTNERS, LIKE AMOCO, WHO ARE REFUSING TO PAY MORE THAN DOLS 22.00 PER BARREL. NEGOTIATIONS WITH THE ISRAELIS, REGARDING THE TRANSFER OF THE ALMA FIELD, ARE PROGRESSING SATISFACTORILY ACCORDING TO THE CHIEF NEGOTIATOR AT AL TOR. THE FIELD WILL BE TURNED OVER EITHER ON NOVEMBER 25 OR 26. ISRAEL IS INSISTING O' NOT PAYING MORE THAN DOLS 25.00 PER BARREL FOR THE CAROONS THAT SADAT PROMISED WOULD BE MADE AVAILABLE FOR ISRAEL IN DECEMBER. SOME BROKERS ARE ALREADY ARRANGING THE SHIPMENTS.

15. (LOU) EGYPTIAN COMMUNISTS ORDERED RELEASED: COMMENTING ON THE PRESUMABLY WEAK CASE PRESENTED BY THE GOVERNMENT PROSECUTION EMBASSY CAIRO, CITING THE LOCAL PRESS, REPORTS THAT THE SUPREME STATE SECURITY COURT HAS ORDERED THE IMMEDIATE RELEASE OF 53 ALLEGED MEMBERS OF THE OUTLAWED EGYPTIAN COMMUNIST PARTY WHO WERE POUNDED UP IN AUGUST AND CHARGED WITH HAVING CONTACTS WITH HOSTILE FOREIGN ELEMENTS AS WELL AS MEMBERSHIP IN A SUBVERSIVE ORGANIZATION. INCLUDED IN THIS TOTAL ARE 38 WHO HAVE PREVIOUSLY BEEN FREED ON BAIL. PRESIDENT SADAT APPARENTLY HAS THE RIGHT TO APPEAL THE COURT'S DECISION WITHIN 15 DAYS DURING WHICH THE DEFENDENTS WILL REMAIN IN CUSTODY.

15. (U) LEADER OF MUSLIM BROTHERHOOD KILLED: ACCORDING TO REUTERS, ABDUL SATTAR AL-ZAIM, A LEADING MEMBER OF THE OUTLAWED MUSLIM BROTHERHOOD IN SYRIA, WAS KILLED IN A CLASH WITH A MILITARY POLICY PATROL. ZAIM HAD BEEN WANTED BY POLICE ON CHARGES OF CARRYING OUT SEVERAL





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INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2839

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SECRET SECTION 01 OF 02 STATE 246664/01

E.O. 12065: GDS 9/19/85 (MONTVILLE, JOSEPH V.)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 899 - SEPTEMBER 19, 1979

LONDON FOR GLASPIE

PARIS FOR NICHOLAS MURPHY

DOD/ISA FOR RANSOM

OTHER ADDRESSEES FOR CHIEFS OF MISSION

WARNING NOTICE SENSITIVE SOURCES AND METHODS INVOLVED  
NOT RELEASABLE TO FOREIGN NATIONALS

(PARAGRAPHS 1-9 SECRET/NOFORN)

1. IMPLICATIONS OF ISRAELI PURCHASES OF WEST BANK-GAZA LAND: LEGAL IMPLICATIONS ASIDE, THE DECISION TO PERMIT ISRAELIS AND ISRAELI ASSOCIATIONS TO PURCHASE LAND ON THE WEST BANK AND GAZA IS LIKELY TO HAVE A PROFOUND PSYCHOLOGICAL IMPACT ON THE PALESTINIAN ARABS IN THE WEST BANK AND GAZA AND FURTHER TO UNDERCUT THOSE ARGUING FOR ARAB MODERATION. THE MOST EXPLOSIVE ISSUES FOR PALESTINIANS ARE THOSE OF LAND AND WATER. THE RESOLUTION OF THESE

ISSUES IN THE AUTONOMY NEGOTIATIONS IS THE FACTOR MOST LIKELY TO DETERMINE THE DEGREE TO WHICH PALESTINIANS IN THE OCCUPIED TERRITORIES WILL BE ENCOURAGED TO SEEK HASHEMITE OR PLO ACQUIESCENCE FOR THEIR PARTICIPATION IN THE SELF-GOVERNING AUTHORITY.

2. THE PRACTICAL EFFECTS OF THE DECISION ARE FAR FROM CLEAR AND WILL BECOME APPARENT ONLY IN THE COMING MONTHS. A RESPECTED ISRAELI JOURNALIST, WHO IS AN EXPERT ON SETTLEMENTS, HAS TOLD EMBASSY TEL AVIV THAT HE EXPECTED THE DECISION TO HAVE FEW PRACTICAL CONSEQUENCES. HE ARGUED THAT MUCH OF THE LAND WHICH CAN BE BOUGHT ALREADY HAS BEEN PURCHASED CLANDESTINELY. MOREOVER, HE FELT THAT JORDANIAN LAW REQUIRING THE DEATH PENALTY IN SUCH CASES AND THE POSSIBILITY OF PLO RETRIBUTION WOULD MAKE IT EXTREMELY UNLIKELY THAT PALESTINIANS WOULD ALLOW ANY SUCH DEALS TO OCCUR.

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3. ANOTHER ISRAELI COLUMNIST HAS ARGUED THAT SOME ARAB RESIDENTS ARE QUITE WILLING TO SELL LAND TO INDIVIDUAL ISRAELIS, BUT THAT THEY WOULD NOT WANT TO SELL TO AN INSTITUTION DEALING WITH SETTLEMENT MATTERS BECAUSE THAT WOULD CONSTITUTE A "POLITICAL" ACT. HE ALSO NOTED THAT IF LAND REGISTRATIONS WERE CARRIED OUT IN ACCORDANCE WITH JORDANIAN LAW IT WOULD PRODUCE NEAR INSUPERABLE HURDLES. HE CONCLUDES THAT THE DECISION WILL BE TESTED ACCORDING TO HOW REGISTRATION PROCEDURES ARE HANDLED IN PRACTICE.

4. HOWEVER, THESE PREDICTIONS ARE PRELIMINARY AND MAY BE TOO SANGUINE. SETTLEMENT ADVOCATES, SUCH AS SHARON AND THE GUSH EMUNIN, WILL BE WORKING TO HAVE THE NEW DECISION IMPLEMENTED IN A WAY THAT FACILITATES THEIR SETTLEMENT ACTIVITIES. (ISRAELI GOVERNMENTS HAVE FOUND WAYS TO OBTAIN THE LAND THEY WANT FOR NEW SETTLEMENTS DESPITE COURT CHALLENGES AND OTHER OBSTACLES.)

5. THE LAW COULD BE PARTICULARLY SIGNIFICANT IN THE AREAS AROUND "GREATER JERUSALEM." EVEN BEFORE THE NEW DECISION MOST OF THE ILLEGAL PURCHASES THAT HAVE TAKEN PLACE ARE BELIEVED TO HAVE OCCURRED HERE, OFTEN BY HIGH GOVERNMENT OFFICIALS AND LARGE CONTRACTORS INTENT ON SPECULATION. LAND PRICES IN THE AREA ARE RAPIDLY RISING. A FURTHER INCENTIVE TO PRIVATE PURCHASES IN THIS AREA IS THE SIGNIFICANT NUMBER OF EXPATRIATE ARABS FROM JERUSALEM AND ENVIRONS WHO HAVE EMIGRATED TO THE WEST BUT STILL OWN LAND. MANY ARE CONCERNED THAT THEIR CLAIMS WILL NOT

BE RECOGNIZED AND MIGHT BE AMENABLE TO SELLING THEIR LANDS. MEANWHILE, THE JEWISH NATIONAL FUND IS REQUIRED BY ITS CHARTER TO BUY LAND IN "ERETZ YISRAEL" WHENEVER THE OPPORTUNITY PRESENTS ITSELF.

6. ARABS IN OTHER AREAS WHO MAY NOT BE INCLINED TO SELL NEVERTHELESS CAN SOMETIMES BE INDUCED TO DO SO IF THEY FEEL THAT EVENTUAL EXPROPRIATION IS INEVITABLE. INTIMIDATING SUGGESTIONS OF EXPROPRIATION HAVE OCCURRED. SETTLEMENT ENTHUSIASTS, WORKING WITH FRIENDLY GOVERNMENT OFFICIALS, COULD PLAY UPON THE FEARS OF LANDOWNERS. AS SOME ARAB LANDOWNERS SEE LARGE TRACTS OF LAND THEY REGARD AS THEIRS FENCED IN FOR "SECURITY REASONS" OR CLAIMED AS "STATE LANDS," SOME WILL UNDOUBTEDLY QUESTION THE WISDOM OF HOLDING TO PRINCIPLE AND FORGOING AN OPPORTUNITY FOR COMPENSATION.

7. ONE UNANSWERED QUESTION IS HOW LAND ALREADY PURCHASED ILLEGALLY BY ISRAELIS WILL BE HANDLED UNDER THIS DECISION. SUCH ISRAELIS WILL PROBABLY NOW TRY TO HAVE THEIR LANDS REGISTERED OPENLY. SOME CASES ARE NOW IN THE COURTS IN WHICH ARABS WHO DID NOT HAVE VALID OWNERSHIP OR POWER-OF-ATTORNEY FRAUDULENTLY SOLD LAND TO ISRAELI BUYERS.

8. MOREOVER, THE JEWISH NATIONAL FUND AND SOME PRIVATE CITIZENS HELD 32,000 DUNAMS ON THE WEST BANK BEFORE 1948.  
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TO INTSUM COLLECTIVE PRIORITY  
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RUEKJCS/DOD/ISA WASHDC PRIORITY  
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S E C R E T FINAL SECTION OF 02 STATE 246664/02

THE ISRAELI LAND AUTHORITY IS ADMINISTERING THIS LAND, AND MOST OF IT HAS BEEN LEASED TO ARABS. IF THE FUND OR THE PRIVATE OWNERS NOW RECLAIM THEIR RIGHTS TO ADMINISTER THE LAND, IT COULD CREATE FRICTION WITH THE ARAB TENANTS.

9. FINALLY, THE DECISION RAISES THE POSSIBILITY THAT ISRAELI ARABS COULD BE USED AS FRONTS TO PURCHASE LAND, EITHER BY ARAB INTERESTS OUTSIDE THE OCCUPIED TERRITORIES OR JEWISH GROUPS INTENT ON SETTLEMENT ACTIVITY.

10. (U) DAYAN DEMANDS TO HEAD DELEGATION TO US: ACCORDING TO DAVAR, DAYAN DEMANDED THE TITLE OF HEAD OF THE ISRAELI DELEGATION TO THE TALKS ON THE SUPERVISION ARRANGEMENTS IN THE SINAI AS THE CONDITION FOR HIS GOING TO THE US. PREVIOUSLY, DAYAN REQUESTED TO BE RELEASED FROM MAKING THE TRIP EXPLAINING THAT WEIZMAN COULD CONDUCT THE NEGOTIATIONS BY HIMSELF.

11. (U) PERES LASHES OUT AT PLO: ACCORDING TO AP, SHIMON PERES LASHED OUT AT THE PLO IN A SPEECH SPONSORED BY THE YALE UNIVERSITY POLITICAL UNION SEPTEMBER 17. PERES CHARGED THAT THE PLO HAS NEVER FOLLOWED A MODERATE POLICY AND THAT THERE IS NOT THE SLIGHTEST CHANCE THAT THE PLO WILL CHANGE ITS GOVERNMENT OR POLICIES. PERES ADDED THAT, "THE PALESTINIAN PEOPLE HAVE A RIGHT TO DETERMINE THEIR OWN FUTURE THE MINUTE THE PLO THREAT IS LIFTED."

12. (U) ISRAEL TO HONOR SOUTH AFRICAN ARMS EMBARGO: US UN REPORTS THAT IN AN ISRAELI-UN MISSION NOTE TO THE ARMS EMBARGO COMMITTEE ISRAEL SAYS IT WILL COMPLY WITH SECURITY COUNCIL RESOLUTION 418 (1977) AND ACCORDINGLY WILL NOT PROVIDE SOUTH AFRICA WITH ARMS OR RELATED MATERIAL INCLUDING THE SALE OR TRANSFER OF WEAPONS AND AMMUNITION, MILITARY VEHICLES AND EQUIPMENT.

13. (C) SAUDI CONCERNS ABOUT YEMEN UNITY: EMBASSY ADDA REPORTS THAT THE FOREIGN-MINISTRY-DIRECTOR-FOR-ARAB-AFFAIRS, ISMAIL SHURA, TOLD THE POLITICAL COUNSELOR ON SEPTEMBER 17, THAT THE PURPOSE OF THE VISIT OF THE YAR PRIME MINISTER AND HIS DEPUTY TO SAUDI ARABIA SEPTEMBER 11 WAS TO INFORM THE SAUDIS THAT SALIH PLANNED TO ACCEPT THE PROPOSAL FOR A SUMMIT MEETING WITH PDRY'S ABD AL-FATTAN ISMAIL. SHURA SAID THAT PRINCE SAUD WAS SCHEDULED TO VISIT SANA THE DAY OF THE SUMMIT, SEPTEMBER 17, TO DISCUSS YEMENI UNITY AND EASTERN BLOC ARMS DELIVERIES TO THE YAR. SHURA THOUGHT THAT SALIH AGREED TO THE SUMMIT BECAUSE HE WAS AFRAID THE PDRY WOULD ATTACK IF HE DID NOT AT LEAST GIVE THE APPEARANCE OF MOVING TOWARD UNITY. THE SAUDIS, PURPORTEDLY, DID NOT HAVE MUCH CONFIDENCE THAT SALIH WOULD ABIDE BY HIS ASSURANCES TO THEM ON THE UNITY QUESTION.

14. (U) CORRECTION-YAR EMBASSY "BOMB": EMBASSY SANA REPORTS THAT THE PACKAGE DELIVERED TO THE EMBASSY MONDAY WAS ERRONEOUSLY BELIEVED TO BE A BOMB.

15. (U) OMAN, UAE REACH BORDER AGREEMENT: ACCORDING TO QATAR'S PRESS, THE UNDERSECRETARY OF THE OMANI FOREIGN MINISTRY HAS DECLARED THAT THE UAE AND OMAN HAVE REACHED AN AGREEMENT ON THE BORDER DISPUTE BETWEEN THE TWO COUNTRIES AND THAT THE AGREEMENT WILL BE ANNOUNCED SOON.

16. (C) HUSS ON PLO WITHDRAWAL: PRIME MINISTER AL-HUSS TOLD AMBASSADOR DEAN SEPTEMBER 14, THAT HE HAD TALKED WITH SALAH KHALAF (ABU IYAD) RECENTLY AND AS A RESULT OF THIS MEETING WAS CONVINCED THE PLO WOULD AGREE TO THE LEBANESE ARMED FORCES TAKING OVER WIDER RESPONSIBILITIES IN SOUTH LEBANON ONLY IF THERE WERE SOMETHING IN IT FOR THE PALESTINIANS. KHALAF TOLD AL-HUSS THAT THE DEPLOYMENT OF LEBANESE SOLDIERS TO THE SOUTH REQUIRED A POLITICAL AGREEMENT AMONG THE LEBANESE GOVERNMENT, THE VARIOUS LEBANESE FACTIONS, THE PLO, AND THE SYRIANS.

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CONFIDENTIAL SECTION 31 OF 55 STAT 2452/2/81

P.O. 12005 DIS 9/27/79 (MONTVILLE, JOSEPH V.)

FROM: CH, IS, PIND

SUBJECT: INTSM - SEPTEMBER 28, 1979

FROM: CH, IS, PIND  
TO: DIRECTOR, CIA  
SUBJECT: ADDRESS FOR CHIEFS OF MISSION

ISSUES OF "OFFICIAL SENSITIVE" POLICIES AND METHODS INVOLVED  
NOT AVAILABLE TO FOREIGN NATIONALS

(EXEMPT 1-- CONFIDENTIAL/NOFORN)

ISSUES OF "OFFICIAL SENSITIVE" POLICIES AND METHODS INVOLVED  
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(A) TO MAINTAIN THE CREDIBILITY OF THE CHIEF OF STAFF.

(B) TO MAINTAIN THE CREDIBILITY OF THE GREAT STANDING OF THE IDF  
IN THE BARBARIC AGAINST ARAB.

THESE ISSUES ARE SENSITIVE BECAUSE OF THE GREAT SIGNIFICANCE  
OF THE MILITARY AND NATIONAL INSTITUTION.

2. CHIEF ISRAELI... OF 1979... INVOLVED...  
... MANY AS...  
... WILL...  
... SENTENCED...

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12 YEARS IN PRISON. HIS SENTENCE WAS LATER REDUCED TO EIGHT YEARS BY THE MILITARY COURT OF APPEALS. IN JUNE 1979, EITAN FURTHER REDUCED THE PRISON TERM TO TWO YEARS.

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3. EITAN JUSTIFIED HIS DECISION ON THE GROUNDS THAT THE PRECONDITIONS OF COMBAT WERE MITIGATING CIRCUMSTANCES AND THAT THE OFFICER'S LOSS OF FAITH WAS THE MOST EFFECTIVE PUNISHMENT. REPORTS LEAKED TO THE ISRAELI PRESS, HOWEVER, HAVE ALLEGED THAT THE OFFICER WAS NOT IN A SITUATION OF DANGER, NOT MURDERED THE ARABS IN COLD BLOOD. PRESS REPORTS HAVE ALSO CLAIMED THAT THE OFFICER WAS INVOLVED WITH THE DAUGHTER OF A GENERAL OFFICER WHO IS A FRIEND OF EITAN.

4. THE MILITARY AND SOCIETY: THE IDF IS THE MOST PRESTIGIOUS OF ISRAEL'S NATIONAL INSTITUTIONS AND ALSO ONE OF THE MOST INFLUENTIAL. THROUGH ITS YOUTH PROGRAMS, WIDELY CAST CONSCRIPTION NET, AND EXTENDED RESERVE SYSTEM, THE IDF TOUCHES THE DAILY LIVES OF VIRTUALLY ALL ISRAELIS. PRIOR TO THE 1973 WAR, THIS INSTITUTION WAS VIRTUALLY SACROSANCT AND ITS GENERAL OFFICERS, THE "ALUFIM," VIEWED AS ISRAEL'S HERO CLAS. THE SHOCK OF THE 1973 WAR TARNISHED THIS IMAGE, HOWEVER, AND IT LEFT THE MILITARY AND ITS LEADERS MORE SUBJECT TO CRITICISM. THE CURRENT AFFAIR IS THE MOST RECENT EXAMPLE. NEVERTHELESS, ISRAELIS IN GENERAL REMAIN SENSITIVE TO ANYTHING THAT DETRACTS FROM THE IDF'S STANDING.

5. THE CREDIBILITY ISSUE: MUCH OF THE CONTROVERSY GENERATED BY THE "LIVIAI OFFICER AFFAIR" HAS CENTERED ON THE ISSUE OF EITAN'S CREDIBILITY. HIS CRITICS ARGUE THAT EITAN, EITHER DELIBERATELY OR UNINTENTIONALLY, MISLED THE NATION ABOUT THE CIRCUMSTANCES OF THE DEATH OF THE FOUR ARABS. EFFORTS BY EITAN AND WEIZMAN TO CLARIFY THE SITUATION HAVE BEEN LESS THAN SUCCESSFUL.

6. THIS ISSUE IS IMPORTANT BECAUSE BOTH GOVERNMENT AND PEOPLE DESIRE A CHIEF OF STATE WHOSE CREDIBILITY IS BEYOND QUESTION. IT WOULD BE PROFOUNDLY DISTURBING TO ISRAELIS NOT TO BE ASSURED THAT HIS POLICY POSITIONS ARE BASED ON OBJECTIVE MILITARY JUDGMENT AND THAT HE IS NOT DRIVEN BY OTHER CONSIDERATIONS. THE CURRENT AFFAIR WILL INEVITABLY DETRACT SOMEWHAT FROM EITAN'S CREDIBILITY, THOUGH NOT NECESSARILY ENOUGH TO PROVOKE HIS DISMISSAL.

7. THE ISSUE OF MORALITY: THE IDF HAS GIVEN MORE THAN 110 YEARS OF SERVICE TO THE CONCEPT OF JUSTICE IN WAR AND TO THE ISRAELI MILITARY DOCTRINE THAT REQUIRES MAINTAINING "PURITY OF ARMS." NEVERTHELESS, THIS DOCTRINE HAS BEEN

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AT ODDS WITH THE DOCTRINE OF "EXHAUSTING THE MISSION,"  
I.E., THE UNACCEPTABILITY OF A FAILURE TO CARRY OUT A  
GIVEN OPERATION, EXCEPT UNDER EXTREME CIRCUMSTANCES.  
THERE HAVE BEEN ENOUGH EXAMPLES OF "EXHAUSTING THE  
MISSION," EVEN IF IT ENTAILED CASUALTIES OF INNOCENTS,  
TO SUGGEST THAT THIS IS AT LEAST OCCASSIONALLY THE DOMINANT  
CONCEPT.

P. FOR A NATION ENGAGED IN WHAT IT VIEWS AS A PROTRACTED  
WAR AGAINST "TERRORIST" OPPONENTS, AND TRYING TO CONVINCE  
INTERESTED OBSERVERS OF THE JUSTICE OF ITS WAR, THE  
ISSUE OF KILLING DEFENSELESS INDIVIDUALS IS NOT  
UNIMPORTANT. BY REDUCING THE SENTENCE, BITAN -- IN THE  
EYES OF MANY ISRAELIS -- HAS PUT THE IDF ON THE SAME LEVEL  
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PREVENTED MILITANT AMERICAN RABBI MEIR KAHANE FROM ENTERING AN ISRAELI-ARAB TOWN TODAY WHERE THOUSANDS OF RESIDENTS STAGED A NOISY DEMONSTRATION AGAINST HIS VISIT. LAST WEEK RABBI KAHANE NOTIFIED MEMBERS OF THE TOWN COUNCIL OF UMM EL-FAHM, SOUTHEAST OF HAIFA, THAT HE WOULD VISIT THE COMMUNITY TO ASK THEM TO SIGN ISRAEL'S DECLARATION OF INDEPENDENCE. HE SAID THE SIGNING OF THE DOCUMENT WAS NECESSARY BECAUSE THE LOYALTY OF THE ARAB RESIDENTS WAS IN DOUBT.

13. (D) KHALIL BLASTS ISRAELI LAND DECISION: ACCORDING TO REUTER, PRIME MINISTER KHALIL SAID SEPTEMBER 19 THAT ISRAEL'S DECISION TO ALLOW ITS CITIZENS LAND-BUYING RIGHTS IN OCCUPIED TERRITORIES WAS PART OF AN ATTEMPT TO FORCE ARABS INTO SERVING. HE ADDED THAT THE MOVE WAS "A NEW ATTEMPT TO OBIVIATE THE ARAB CHARACTER OF PALESTINIAN LAND AND CREATE A NEW STATUS LIKELY TO OBSTRUCT THE PALESTINIAN PEOPLE'S PRACTICE OF THEIR RIGHTS OVER THEIR LAND AND HOME." (THIS COMES IN ADDITION TO THE STRONG CONDEMNATION OF THE ISRAELI DECISION ISSUED SEPTEMBER 19 BY THE EGYPTIAN FOREIGN MINISTRY.)

14. (C) BAHRAIN SHOWS FIRMNESS IN COUNTERING DEMONSTRATIONS: EMBASSY MANAMA REPORTS THAT BAHRAIN'S POLICY OF ACTING RAPIDLY AND FIRMLY TO DISPEL THE SEVERAL SMALL SHIITE DEMONSTRATIONS HELD DURING THE PAST TWO WEEKS, HAS BEEN SUCCESSFUL AND THE CITY IS CALM. RIOT SQUAD

PATROLS HAVE BEEN IN EVIDENCE DOWNTOWN AND THERE HAVE BEEN ALMOST DAILY PRESS STATEMENTS BY THE MINISTERS OF INFORMATION AND OF THE INTERIOR, REPEATEDLY EMPHASIZING THE GOVERNMENT'S FIRM ATTITUDE.

15. (C) YAR-SOVIET ARMS AGREEMENT: EMBASSY SANA REPORTS THAT A SENIOR YEMANI OFFICIAL TOLD THE AMBASSADOR ON SEPTEMBER 13 THAT HE DID NOT BELIEVE SALIH WAS ACTIVELY CONSIDERING AN ARMS DEAL WITH THE SOVIET UNION. HOWEVER, DEPUTY CHIEF OF STAFF ALI HANSONI CONTINUES TO SHUTTLE BETWEEN PRAGUE AND BERLIN WAITING FOR INSTRUCTIONS FROM THE PRESIDENT AND HAS NEGOTIATED THE DETAILS OF AN AGREEMENT, ALTHOUGH HE HAS CLEARLY NOT YET RECEIVED THE AUTHORITY TO SIGN IT. THE SOURCE COMMENTED THAT SALIH SAID IT WAS PUBLIC KNOWLEDGE THAT HE HAD TAKEN MONEY FROM THE CENTRAL BANK AND PURCHASED NEW POLISH TANKS.

16. (U) PLO-SCLC: REUTER QUOTED THE PRESIDENT OF THE SOUTHERN CHRISTIAN LEADERSHIP CONFERENCE, JOSEPH LOWERY, AS SAYING IN BEIRUT THAT: "WE ARE CONVICTED THAT THE ULTIMATE SOLUTION FOR LEBANON AND THE MID-EAST IS FOR

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BOTH THE ISRAELIS AND THE PALESTINIANS TO BE SECURE IN THEIR RESPECTIVE HOMELANDS, AND TO LIVE IN PEACE WITH JUSTICE. LOWERY SAID THE SCIC PLANS TO HOLD SEMINARS IN MAJOR AMERICAN CITIES WHICH WILL FOCUS ON PEACE EFFORTS IN THE MIDDLE EAST AND AFRICA AND EXPRESSED THE HOPE THAT REPRESENTATIVES OF ALL PARTIES INVOLVED WOULD PARTICIPATE.

ACCORDING TO THE PLO'S RADIO, CONGRESSMAN FAUNTROY SAID CIVIL RIGHTS LEADERS HAVE BEGUN TALKS WITH THE PLO IN THE HOPE THAT THE US GOVERNMENT WILL FOLLOW SUIT.

17. (U) ARAFAT-HUSSEIN MEET: AMMAN RADIO REPORTED THAT YASSIR ARAFAT MET WITH KING HUSSEIN SEPTEMBER 19 AT THE

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TO INTSUM COLLECTIVE PRIORITY

INFO RUEAHC/ TREASURY DEPARTMENT WASHDC PRIORITY 2843

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CONFIDENTIAL FINAL SECTION OF 03 STATE 248742/03

JORDANIAN BORDER TOWN OF AL-RAMTHA. (THIS IS THE FOURTH MEETING ARAFAT HAS HELD WITH HOSSAIN IN JORDAN IN THE PAST YEAR AND FOLLOWS THEIR REPORTED MEETING AT THE NON-ALIGNED SUMMIT IN HAVANA.) ARAFAT SAID HE PLANNED TO COORDINATE ISSUES OF MUTUAL CONCERN WITH HUSSEIN FOR THE FORTHCOMING UNGA SESSION, PARTICULARLY SINCE THE KING WILL BE THE FIRST SPEAKER AT THE SESSION.

B. (10C) PLO-RECOGNITION OF ISRAEL. IN AN INTERVIEW WITH THE BEIRUT PERIODICAL MONDAY MORNING, SENIOR FATAH LEADER SALAH KHALAY SAID THAT RECOGNITION OF ISRAEL IS "THE BIGGEST CARD" IT (THE PLO) HAS, AND IT IS WILLING TO RELINQUISH IT ONLY IN RETURN FOR A STATE NOT A STATEMENT. "I AM LOOKING FOR THE PARTY WHO CAN GIVE ME THAT STATE SO I CAN GIVE IT THIS CONCESSION IN RETURN," HE SAID. (WE REGARD THIS STATEMENT AS EXTREMELY SIGNIFICANT SINCE KHALAY IS GENERALLY MORE RESERVED IN HIS PUBLIC STATEMENTS THAN ARAFAT. FATAH LEADERS ARE NOW MORE WILLING TO ADMIT TO THEIR FOLLOWERS THAT RECOGNITION OF ISRAEL WILL BE THE POLITICAL PRICE THAT HAS TO BE PAID IF THEY ARE TO REALIZE THEIR LIMITED GOALS. ARAFAT RECENTLY HAS DOCKED JUST SUCH QUESTIONS BY ASKING INTERVIEWEES WHY THEY DID NOT ASK THE ISRAELIS IF THEY WERE READY TO RECOGNIZE PALESTINIAN RIGHTS.)

KHALAY ALSO SAID THAT HE EXPECTED ARAFAT TO RECEIVE INVITATIONS FROM ALL WEST EUROPEAN COUNTRIES WITHIN THE NEXT FEW MONTHS. HE STATED THAT ARAFAT WOULD GO TO FRANCE AT THE INVITATION OF THE FRENCH COMMUNIST PARTY AND THAT IT WOULD BE UP TO THE FRENCH GOVERNMENT TO DECIDE IF AN OFFICIAL VISIT OCCURS. VANCE

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C O N F I D E N T I A L SECTION 01 OF 03 STATE 255176/01

E.O. 12065 GDS 9/27/85 (MONTVILLE, JOSEPH V.)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 905 - SEPTEMBER 27, 1979

LONDON FOR GLASPIE  
PARIS FOR NICHOLAS MURPHY  
DOD/ISA FOR RANSOM  
OTHER ADDRESSEES FOR CHIEFS OF MISSION

(PARAGRAPHS 1-9 CONFIDENTIAL)

1. WEST GERMAN INITIATIVES WORRY ISRAEL: WEST GERMANY IS CAUTIOUSLY MOVING TO IMPROVE RELATIONS WITH THE ARABS IN WAYS THAT ARE BOUND TO CAUSE ISRAEL CONCERN. BONN WILL ATTEMPT TO BALANCE ITS NEW ARAB EMPHASIS WITH EFFORTS TO MAINTAIN THE SUPPORTIVE RELATIONSHIP WITH ISRAEL THAT IT HAS BEEN FOLLOWING IN ATONEMENT FOR THE NAZI ERA. THE FRG REMAINS COMMITTED TO ISRAEL'S CONTINUED EXISTENCE AND ITS RIGHT TO SECURE BOUNDARIES. BUT WEST GERMAN INITIATIVES ARE CAUSING THE FRG TO BE PERCEIVED BY BOTH ARABS AND ISRAEL AS CLOSER TO THE ARABS THAN IN THE PAST.

2. BONN DOES NOT WANT TO GET TOO FAR AHEAD OF WASHINGTON ON MIDDLE EAST ISSUES. IT WOULD LIKE THE MOMENTUM OF CAMP DAVID TO PICK UP. SCHMIDT AND FOREIGN MINISTER GENSCHER BELIEVE THAT THE PALESTINIAN ISSUE LIES AT THE HEART OF A SETTLEMENT AND THAT RECOGNITION OF ISRAEL'S EXISTENCE BY THE PALESTINIANS IS THUS CRUCIAL TO A SUCCESSFUL CONCLUSION OF NEGOTIATIONS. THEY ALSO WANT TO HELP MAKE A US MOVE TOWARD DIALOGUE WITH THE PLO POSSIBLE.

3. GENSCHER, WHO RETURNED IN EARLY SEPTEMBER FROM HIS SECOND RECENT TOUR OF THE MIDDLE EAST, IS INTERESTED IN PROMOTING A MORE PROMINENT EUROPEAN ROLE IN THE AREA. HE WOULD LIKE WEST GERMANY AND THE EC-9 TO AUGMENT US EFFORTS BY EXERTING A CALMING AND CONSTRUCTIVE INFLUENCE ON THE ARAB RADICALS.

4. GENSCHER IS WORRIED IN PARTICULAR ABOUT THE OPPOSITION OF THE ARABS TO THE CAMP DAVID ARRANGEMENTS AND ABOUT THE LACK OF EFFECTIVE WESTERN INVOLVEMENT WITH THE PLO. THE NEW, MORE ACTIVE EUROPEAN ROLE THAT HE ENVISAGES IS STRONGLY SUPPORTIVE OF US EFFORTS; HE EXPECTS THAT IT WOULD BE CARRIED OUT WITH US BLESSINGS.

5. IN A BONN BRIEFING OF EC AMBASSADORS, SHORTLY AFTER GENSCHER'S RETURN FROM HIS MIDDLE EAST TRIP, FRG FOREIGN OFFICE SPOKESMEN REPORTEDLY EMPHASIZED THAT IN ORDER TO HELP THE US, THE EC-9 NEEDED TO SHOW THAT THERE EXISTED A EUROPEAN ALTERNATIVE TO SOVIET INFLUENCE. THE ARABS, GENSCHER CONCLUDED, HAD BEEN FAVORABLY IMPRESSED WITH THE BASIC EUROPEAN POSITIONS THAT HE HAD OUTLINED TO THEM ON HIS TRIPS.

6. THE FRG EXPLICITLY SUPPORTS THE RIGHT OF THE PALESTINIANS TO SELF-DETERMINATION. AT THE SAME TIME, THE FRG IS ENGAGED IN PUTTING BE IND-THE-SCENES PRESSURE ON ISRAEL TO ADOPT A MORE ACCOMMODATING STANCE TOWARDS THE ARABS. WEST GERMAN OPPOSITION TO ISRAELI SETTLEMENTS, TO ISRAELI POLICY TOWARD SOUTHERN LEBANON, AND TO ISRAELI OPPOSITION TO A PALESTINIAN STATE WAS MADE CLEAR TO TEL AVIV.

7. HOW FAR BONN WILL PERSIST IN A POLICY WHICH ANTAGONIZES THE ISRAELIS REMAINS TO BE SEEN. WHEN DAYAN VISITED BONN EARLIER THIS MONTH, FRG LEADERS ATTEMPTED TO REASSURE HIM. UNDER ISRAELI PRODDING, GENSCHER RETREATED SLIGHTLY FROM HIS INSISTENCE ON "SELF-DETERMINATION" FOR THE PALESTINIANS. HE ADDED THE IMPORTANT QUALIFICATION THAT THE "APPROVAL OF ALL PARTIES CONCERNED" WAS NEEDED FOR PALESTINIAN SELF-DETERMINATION.

8. DAYAN LEFT BONN WITH LESS THAN HE HAD BEEN LOOKING FOR. YET, THERE IS NO POSSIBILITY THAT THE FRG WILL BACK OFF FROM ITS BASIC COMMITMENT TO ISRAEL'S CONTINUED EXISTENCE AND ITS RIGHT TO SECURE BOUNDARIES.

9. (U) ISRAEL-EGYPT-LAND SALES: JERUSALEM RADIO CHARACTERIZED THE EXCHANGE BETWEEN MINISTER BUTRUS GHALI AND MINISTER BURG AT THE AUTONOMY NEGOTIATIONS OVER THE DECISION TO PERMIT ISRAELIS TO BUY LAND IN THE OCCUPIED TERRITORIES AS "A FIERCE ARGUMENT." BUTRUS GHALI SAID THAT THE DECISION CREATES FAITS ACCOMPLIS AND REMARKED: "LET IT BE CLEAR THAT WITHOUT THE PARTICIPATION OF PALESTINIANS OUR DISCUSSIONS HERE WILL ONLY BE ACADEMIC." THE EGYPTIAN NEWSPAPER AL-AKHBAR SAID THAT, "THE DECISION HAS GENERATED THE FIRST CLOUDS OF ANGER AND RESENTMENT SINCE THE PEACE INITIATIVE WAS LAUNCHED." THE COMMENTARY CONCLUDED, HOWEVER, THAT BOTH SIDES MUST CONCENTRATE ON ACHIEVING PROGRESS AT AUTONOMY NEGOTIATIONS AND NOT BE DIVERTED BY ISRAELI ATTEMPTS TO RAISE SIDE ISSUES.

10. (U) ISRAEL-EITAN AFFAIR: REUTER REPORTS THAT A NEW CASE ALLEGING THE MURDER OF ARAB CIVILIANS BY AN ISRAELI OFFICER HAS SURFACED. IT CAME TO LIGHT THROUGH A LETTER SENT TO DEFENSE MINISTER WEIZMAN, ACCORDING TO SEVERAL

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TO INTSUM COLLECTIVE PRIORITY

INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2911

RUEKJCS/DOD/ISA WASHDC PRIORITY

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C O N F I D E N T I A L SECTION 02 OF 03 STATE 255176/02

ISRAELI NEWSPAPERS. THE LETTER, WHICH IS SAID TO HAVE BEEN SIGNED BY 150 UNIVERSITY LECTURERS, CHARGED THAT IDF CHIEF OF STAFF EITAN HAD VOIDED THE SENTENCE OF A SENIOR ARMY OFFICER CONVICTED OF KILLING CIVILIANS DURING THE MARCH 1978 INVASION OF SOUTH LEBANON. THE SENTENCE WAS NOT GENERALLY KNOWN IN ISRAEL, THE LETTER SAID, BECAUSE EITAN HAD USED MILITARY CENSORSHIP TO PREVENT PUBLICATION OF THE NEWS. THIS REPORT FOLLOWS A CONTROVERSY ABOUT EITAN'S DECISION TO REDUCE THE SENTENCE OF LT. PINTO, WHO WAS CONVICTED OF KILLING FOUR CIVILIANS IN THE SAME OPERATION.

11. (U) BEGIN VOWS TO STRIKE TERRORISTS: JERUSALEM RADIO REPORTED SEPTEMBER 25 THAT WHILE ADDRESSING A CONFERENCE IN JERUSALEM, PRIME MINISTER BEGIN STATED THAT: "WHOEVER RECOGNIZES THE SO-CALLED PLO RECOGNIZES GENOCIDE." THE RADIO CORRESPONDENT SAID THAT DURING THE SPEECH BEGIN MADE IT CLEAR THAT ISRAEL WILL CONTINUE TO STRIKE AT THE "TERRORISTS."

12. (U) ISRAEL-SINAI SUPERVISION: HA'ARETZ MILITARY CORRESPONDENT ZE'EV SCHIFF WROTE SEPTEMBER 25 THAT: "THE IDF AUTHORITIES ARE PLEASED WITH THE TEMPORARY SINAI SUPERVISION AGREEMENT."

13. (C) ISRAEL-TORTURE ALLEGATIONS: EMBASSY TEL AVIV REPORTS THAT MINISTER OF JUSTICE TAMIR HAS GIVEN THEM THE IMPRESSION THAT HE HAD TAKEN A CASE IN WHICH TORTURE OF AN ARAB SUSPECT WAS ALLEGED WITH THE UTMOST SERIOUSNESS. TAMIR CLAIMED THAT THE ARAB'S CHARGES WERE GROSSLY EXAGGERATED, BUT HE SAID THERE WAS A KERNEL OF TRUTH TO THEM AND, THUS, THE INTERROGATOR IN THE CASE HAD BEEN REPRIMANDED AND TRANSFERRED. SHIN BETH WAS PUT ON NOTICE THAT SUCH INTERROGATION TECHNIQUES WOULD NOT BE TOLERATED, ACCORDING TO TAMIR. THE EMBASSY COMMENTS IT IS SIGNIFICANT THAT TAMIR IS INVITING CLOSE SCRUTINY OF HIS INVESTIGATION SINCE IT INDICATES THAT HE AND HIS ASSOCIATES HAVE MADE A REAL EFFORT TO GET AT THE TRUTH.

14. (U) ISRAEL-JACKSON VISIT: ACCORDING TO WIRE SERVICE REPORTS, REV. JACKSON FIRED UP A PALESTINIAN CROWD IN NABLUS TO "A SCREAMING PITCH" SEPTEMBER 26 WITH BLACK PRIDE CHANTS. THE ARABS LATER CARRIED HIM OFF ON THEIR SHOULDERS CHANTING JACKSON; ARAFAT. JACKSON SUPPORTED THE ESTABLISHMENT OF A PALESTINIAN HOMELAND BUT SAID THE WEST BANKERS SHOULD MODEL THEIR TACTICS AFTER THE CIVIL RIGHTS STRUGGLE IN THE US. EARLIER, VISITING THE YAD VASHEM MEMORIAL TO THE HOLOCAUST VICTIMS, JACKSON SAID THIS SHOULD NOT BE ALLOWED TO HAPPEN TO ANYONE INCLUDING THE PALESTINIANS. HE ALSO SAID HE WOULD URGE THE PLO TO RECOGNIZE ISRAEL.

JACKSON WAS CRITICIZED BY SEVERAL PROMINENT ISRAELIS FOR REFUSING TO MEET WITH LEBANESE RIGHTIST MILITIA COMMANDER SAAD HADDAD, ACCORDING TO REUTER. HE WAS ALSO CRITICIZED BY SHIMON PERES AND OTHER LABOR PARTY LEADERS FOR INTIMATING THAT BEGIN'S REFUSAL TO MEET HIM WAS A RACIST DECISION.

JACKSON PROCEEDED ON TO AMMAN. HE WILL LATER GO TO BEIRUT WHERE HE WILL MEET WITH ARAFAT.

15. (U) ISRAEL-INSUBORDINATION: REUTER REPORTED SEPTEMBER 29 THAT AN ISRAELI ARMY RESERVE OFFICER WAS SENTENCED TO JAIL FOR REFUSING TO SERVE IN THE OCCUPIED TERRITORIES. ACCORDING TO REUTER'S MILITARY SOURCES, IT WAS BELIEVED TO BE THE FIRST CASE OF ITS KIND. THE OFFICER SAID HE WOULD NOT SERVE "FOR POLITICAL REASONS."

16. (U) PLO-ISRAEL: ACCORDING TO REUTER, SEDKI AL DAJANI, WHO IS RESPONSIBLE FOR PLO PUBLIC RELATIONS IN EUROPE, TOLD A CONFERENCE ON PALESTINE RIGHTS IN ROME THAT THE PLO WAS READY TO CREATE A STATE IN A PART OF WHAT WAS FORMERLY PALESTINE. HE SAID THE ORGANIZATION WOULD BE READY TO TALK WITH ISRAEL "THE MORNING AFTER" IT TOOK POSSESSION OF A SMALL PARCEL OF TERRITORY. ASKED IF THAT WOULD MEAN RECOGNITION OF ISRAEL, HE REPLIED, "OBVIOUSLY IT IMPLIES SOMETHING OF THE SORT."

17. (C) SAUDI ARABIA-EGYPT-SUDAN: ISMAIL AL SHURA, FOREIGN MINISTRY DIRECTOR FOR ARAB AFFAIRS TOLD EMBASSY JIDDA SEPTEMBER 29, THAT THE SUDANESE HAD PRESSED PRINCE SAUD TO VISIT KHARTOUM BUT SINCE SAUD LEAVES FOR THE US SEPTEMBER 27, THERE WAS LITTLE TIME FOR HIM TO DO SO. SHURA SAID THAT THE SUBJECT OF TALKS WITH THE SUDANESE WOULD BE "BILATERAL RELATIONS" (READ: ECONOMIC ASSISTANCE).

SHURA DISMISSED SADAT'S INTERVIEW WITH OCTOBER MAGAZINE AS RUBBISH BUT SAID THAT IT WAS TOO BAD THAT IT CAME AT A TIME WHEN SAUDIS WERE TRYING TO PERSUADE OTHER ARABS TO MODERATE THEIR ATTITUDES TO EGYPT. HE ADDED THAT KING KHALID'S UPCOMING VISIT TO LIBYA WILL UNFORTUNATELY PROBABLY BE READ BY SADAT AS PROOF OF A SAUDI-LIBYAN PLOT AGAINST NIMEIRI AND THAT QADHAFI HAS SUCCEEDED IN EMBARRASSING THE KING.

18. (C) SAUDI ARABIA-OIL PRODUCTION LEVEL: EMBASSY JIDDA REPORTS THAT CROWN PRINCE FAHD SEPTEMBER 26 AUTHORIZED PRESIDENT CARTER TO ANNOUNCE THE CONTINUATION

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C O N F I D E N T I A L FINAL SECTION OF 03 STATE 255176/03  
OF SAUDI OIL PRODUCTION OF 9.5 BbD FOR THE FOURTH QUARTER.  
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SECRET SECTION 81 OF 93 STATE 287888/01  
R.O. 12865 GDS 18/12/55 (GREENE, MYLES L.)

TAGS: PG, IS, PINK  
SUBJECT: INTSUM 915 - OCTOBER 12, 1979

LONDON FOR GLASPIE  
PARIS FOR NICHOLAS MURPHY  
DOD/ISA FOR RANSOM  
OTHER ADDRESSEES FOR CHIEFS OF MISSION

1. (S) ISRAEL: CABINET DISARRAY: A CIA ANALYSIS INCLUDES THE FOLLOWING: RECENT DEFECTIONS FROM PRIME MINISTER BEGIN'S DOMINANT LIKOD BLOC HAVE REDUCED HIS PARLIAMENTARY MAJORITY TO ABOUT SIX SEATS IN THE 120-MEMBER KNESSET, A BLOC OF 11 SEATS OVER THE PAST YEAR. BEGIN'S DWINDLING PARLIAMENTARY STRENGTH WILL ENCOURAGE THE GOVERNMENT PARTIES TO PRESS THE PRIME MINISTER FOR SUPPORT ON ISSUES OF SPECIAL INTEREST TO THEM. EXACERBATING COALITION TENSIONS AND TESTING BEGIN'S LEADERSHIP. THE COALITION PROBABLY WILL CONTINUE TO LIMP ALONG OVER THE NEAR TERM, BUT INTERNAL STRAINS AND PUBLIC CRITICISM OF THE GOVERNMENT'S PERFORMANCE--ESPECIALLY ITS DISASTROUS ECONOMIC RECORD--ARE LIKELY TO INTENSIFY. BEGIN COULD WELL LOSE THE NATIONAL ELECTION IN 1981.

2. (S) DESPITE REAL ECONOMIC GROWTH APPROACHING 4 TO 5 PERCENT THIS YEAR, ISRAEL IS BESIEGED BY SERIOUS ECONOMIC DIFFICULTIES. INFLATION IS THE MOST INTRACTABLE PROBLEM, WITH CONSUMER PRICES NEARING AN ANNUAL RATE OF ALMOST 120 PERCENT. THE BALANCE OF PAYMENTS--OVER 1 BILLION DOLLARS IN SURPLUS LAST YEAR--IS LIKELY TO WEAKEN AND UNLESS PRESENT POLICIES ARE CHANGED ISRAEL COULD EASILY RUN A DEFICIT OF AROUND 788 MILLION DOLLARS BY 1981.

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3. (S) PUBLIC CRITICISM HAS FOCUSED ON FINANCE MINISTER SIMCHA PERLICH AND HIS COLLEAGUES IN THE LIBERAL PARTY CONTINGENT OF LIKUD, WHICH HOLDS MOST KEY ECONOMIC MINISTERIES. THE PUBLIC'S CRITICISM IN TURN HAS FUELED HIGHLY PUBLICIZED POLICY DISPUTES BETWEEN THE LIBERALS AND FIGURES IN BEGIN'S HYBOT PARTY, THE SENIOR MEMBER OF LIKUD, THUS REINFORCING THE PUBLIC'S PERCEPTION OF GOVERNMENT DISARRAY.

4. (S) PERLICH HAS BECOME SUCH A LIABILITY--HIS POPULARITY HAS FALLEN BELOW 10 PERCENT IN THE POLLS--THAT BEGIN PROBABLY WILL BE COMPELLED TO REPLACE HIM AND TO RESHUFFLE OTHER KEY ECONOMIC PORTFOLIOS. IN AN EFFORT TO SALVAGE A MEASURE OF THEIR PARTY'S BROODING CREDIBILITY, LIBERAL LEADERS REPORTEDLY HAVE GAINED PERLICH'S AGREEMENT TO SUBMIT TO BEGIN LATER THIS FALL A PLAN FOR A CABINET REORGANIZATION PLAN IN WHICH PERLICH WOULD NO LONGER HOLD THE FINANCE PORTFOLIO.

5. SUCH A REORGANIZATION ALMOST CERTAINLY WOULD SPARK INCREASED TENSION AND JOCKEYING FOR POSITION AMONG THE COALITION PARTIES IF, AS SEEMS LIKELY, THE RESHUFFLE INVOLVED SEVERAL MINISTERIES AND IF BEGIN APPOINTED A FIGURE FROM OUTSIDE THE LIBERAL PARTY TO FILL PERLICH'S POST. BEGIN'S PRELIMINARY FAVORITE IS SAID TO BE YEHAEL ERVITZ, A FORMER MINISTER FROM THE SMALL, RISE-THING LEAN CONTINGENT OF LIKUD AND AN OUTSPOKEN PERLICH CRITIC.

6. THE PROLONGED ABSENCE OF CREDIBLE GOVERNMENT ACTION ON THE ECONOMY THREATENS TO ALIENATE LOWER-INCOME SEPARADIC JEWS, WHOSE SUPPORT WAS INSTRUMENTAL IN PUTTING BEGIN OVER THE TOP IN THE ELECTION IN 1977. UNCHECKED INFLATION ALREADY HAS COST BEGIN SOME SEPARADIC VOTES AND IS CERTAIN TO SEND THE LABOR OPPOSITION A MAJOR LOSS WHEN SERIOUS CAMPAIGNING BEGINS ABOUT A YEAR FROM NOW.

7. (S) BEGIN'S ADHERENCE TO A RIGID NEGOTIATING STRATEGY AIMED AT ENSURING ISRAEL'S CONTROL OVER THE WEST BANK WILL CONTINUE TO BE THE MAJOR ISSUE DETERMINING THE LOYALTY OF KEY COALITION HARDLINERS. AGRICULTURE MINISTER SHARON, A MEMBER OF MERET, AND ULTRA-HARDLINE LEADERS OF THE NATIONAL RELIGIOUS PARTY, WITHOUT WHOSE SUPPORT BEGIN'S GOVERNMENT WOULD FALL, WOULD BE CERTAIN TO INSIST THE PRIME MINISTER IF HE MADE MAJOR CONCESSIONS ON:

- (A) PALESTINIAN AUTONOMY ARRANGEMENTS.
- (B) THE ROLE OF THE PALESTINE LIBERATION

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ORGANIZATION IN THE NEGOTIATION PROCESS.

(C) JEWISH SETTLEMENT ACTIVITY.

(D) ISRAELI MILITARY WITHDRAWAL FROM THE WEST BANK.

R. (S) BEGIN IN THE PAST HAS DEMONSTRATED A GOOD SENSE OF THE CONSERVATIVES' BOTTOM-LINE ON NEGOTIATIONS ISSUES, WHICH LARGELY DOVETAILS WITH HIS OWN VIEWS. THE PRESENCE OF INFLUENTIAL MODERATES IN THE CABINET AND BEGIN'S CONVICTION THAT EGYPTIAN PRESIDENT SADAT WILL ACCEPT FAR LESS THAN THE PALESTINIANS' PROPOSED MINIMUM ON AUTONOMY ISSUES CONTINUE TO REINFORCE HIS DETERMINATION NOT TO MAKE CONCESSIONS ON CRUCIAL SOVEREIGNTY-RELATED MATTERS.

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INTERNAL ORGANIZATION. THE MERGER OF TWO MAJOR LABOR-AFFILIATED KIBBUTZ GROUPS AND THE GROWING INFLUENCE OF KIBBUTZ LEADERS SHOULD IMPART A MORE ACTIVIST IMAGE TO THE PARTY. A YOUNGER GENERATION OF POLITICALLY ATTRACTIVE FIGURES IS BEGINNING TO MOVE INTO POSITIONS OF INFLUENCE IN LABOR BODIES.

14. (U) CONTINUING FACTIONAL AND PERSONAL RIVALRIES AND A SENIOR LEADERSHIP THAT MANY VOTERS ASSOCIATE WITH THE SCANDALS THAT PAVED THE WAY TO LABOR'S DEFEAT IN 1977 NEVERTHELESS COULD UNDERMINE THE PARTY'S RECOVERY. THE NOTORIOUS RIVALRY BETWEEN LABOR CHAIRMAN SHIMON PERES AND FORMER LABOR PRIME MINISTER YITZHAK RABIN--RECENTLY HIGHLIGHTED BY THE PUBLICATION OF RABIN'S VISCERALLY ANTI-PERES MEMOIRS--AND A GROWING CHALLENGE TO PERES BY FORMER FOREIGN MINISTER YIGAL ALON DOUBTLESS HAVE CONVINCED SOME VOTERS THAT LABOR REMAINS UNABLE TO REFORM ITSELF. LABOR, MOREOVER, CONTINUES TO HAVE PROBLEMS GENERATING IDEOLOGICAL APPEAL TO HAWKISH-MINDED SEPHARDIC AND OTHER LOWER-INCOME URBAN GROUPS, WHO CONSTITUTE OVER HALF OF THE ELECTORATE.

15. (U) WEST BANK LAND SEIZURE: RADIO JERUSALEM REPORTS THAT THE GUSH EMUNIM SETTLERS WHO SEIZED AN OLIVE GROVE NEAR THEIR SETTLEMENT AT QADOMI WILLINGLY EVACUATED THE AREA LATE ON OCTOBER 10. THE ISRAELI DEFENSE FORCE HAS DISMANTLED THE BUILDINGS ERECTED BY THE SETTLERS IN THE OLIVE GROVE.

16. (U) ISRAEL-ERRLICH: THE JERUSALEM POST REPORTED THAT NEXT WEEK BEGIN WILL BEGIN DISCUSSIONS WITH HIS COALITION PARTNERS CONCERNING A CABINET RESHUFFLE. HIS DECISION TO MOVE ON THIS ISSUE FOLLOWS TALKS THAT HE HAD ON OCTOBER 10 WITH FINANCE MINISTER ERRLICH WHOSE POST IS AT THE CENTER OF THE CABINET REORGANIZATION CONTROVERSY. THE JERUSALEM POST FELT THAT ERRLICH WILL CERTAINLY RETAIN A SENIOR CABINET POST IN THE RESHUFFLE. RADIO JERUSALEM SAID OCTOBER 11 THAT ERRLICH WAS ASKING FOR A PERSONAL VOTE OF CONFIDENCE FROM HIS OWN LIBERAL PARTY BECAUSE HE WAS CONVINCED THAT THE PARTY WOULD SUPPORT HIM.

17. (U) VIENNESE PEACE PRIZES: REUTERS REPORTS THAT ABYE ELIAY, FORMER MP AND A LEADING ISRAELI LEFTWINGER, AND ISSAM SARTAWI, A MEMBER OF THE PLO AND A CLOSE COMPANION OF ARAFAT, WILL BE AWARDED PEACE PRIZES IN VIENNA ON OCTOBER 19, BY CHANCELLOR KRUSKY FOR THEIR EFFORTS TO FIND A PEACEFUL SOLUTION TO THE MIDDLE EAST CONFLICT.

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19. (U) IRAQ-BAHRAIN: RADIO BAGDAD REPORTS THAT BAHRAINI PRIME MINISTER KHALIFA SAID ON OCTOBER 9, AFTER MEETING WITH IRAQI PRESIDENT SADDAM HUSSEIN, THAT IRAQ AND BAHRAIN "ARE AGREED IN THEIR VIEWS ON GULF ISSUES." KHALIFA ADDED THAT THE CONCEPT OF PERSIAN GULF SECURITY HELD BY IRAQ AND BAHRAIN IS NOT LIMITED TO THE PROTECTION OF SHIPPING, BUT ALSO INCLUDES THE PROTECTION OF PERSIAN GULF STATES AGAINST "FOREIGN INTERVENTION."

19. (C) SUDAN-SAUDI ARABIA: EMBASSY KHARTOUM REPORTS THAT THERE ARE "REASONABLY FIRM INDICATIONS" THAT SAUDI ARABIA IS PREPARED TO PROVIDE THE SUDAN WITH A 200 MILLION DOLLAR MILITARY ASSISTANCE PACKAGE. (THIS APPEARS TO CONFIRM SAUDI DENIALS OF EGYPTIAN CHARGES THAT THE SAUDIS

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HAVE BEEN "PLOTTING" AGAINST THE SUDAN.)

20. (U) ISRAEL-PLO: REUTER REPORTS THAT THE ISRAELI MILITARY GOVERNMENT ON THE WEST BANK HAS OUTLAWED A PALESTINIAN COMMITTEE WHICH WAS FORMED AFTER THE CAMP DAVID MEETINGS TO COORDINATE LOCAL ARAB RESISTANCE TO THE IMPLEMENTATION OF AUTONOMY. THE GROUP WAS OUTLAWED AFTER THE ISRAELIS DISCOVERED THAT IT WAS THE PLO'S EXECUTIVE ORGANIZATION IN THE WEST BANK.

21. (U) JERUSALEM-HUNGER STRIKE: ACCORDING TO REUTER, THE WIVES OF ARAB PRISONERS IN A BEKRSHEBA JAIL STAGED A HUNGER STRIKE OCTOBER 11 OUTSIDE THE OFFICES OF THE INTERNATIONAL RED CROSS IN JERUSALEM TO PROTEST WHAT THEY TERMED THE ILL-TREATMENT OF THEIR HUSBANDS. THE MINISTRY OF THE INTERIOR SAID THE COMPLAINTS HAD BEEN INVESTIGATED AND FOUND TO BE FALSE.

22. (U) LEBANON-OVERFLIGHTS: AP REPORTED THAT HIGHLY PLACED PALESTINIAN SOURCES CLAIMED THAT SYRIAN AND ISRAELI AIRCRAFT EXCHANGED FIRE OCTOBER 11 OVER SOUTHERN LEBANON, BUT THAT NO AIRCRAFT WERE LOST BY EITHER SIDE. JERUSALEM RADIO ANNOUNCED THAT THE ISRAELI DEFENSE FORCE HAD DENIED REPORTS THAT A CLASH HAD TAKEN PLACE. WASHDC

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SECRET SECTION 01 OF 03 STATE 200200/01

F.O. 12805 SDS 10/15/85 (MONTVILLE, JOSEPH V.)

TAGS: 02, IS, PINK

SUBJECT: INTSUM 016 - OCTOBER 15, 1979

LONDON FOR GLASPIE  
PARIS FOR NICOLAS MURPHY  
DOD/ISA FOR RANSON  
OTHER ADDRESSEES FOR CHIEFS OF MISSION

(PARAGRAPHS 1-10 CONFIDENTIAL)

1. ISRAELI TENSIONS IN THE COALITION OVER THE SETTLEMENT ISSUE: THE ISSUE OF WEST BANK SETTLEMENT POLICY HAS LONG BEEN A SOURCE OF SERIOUS TENSIONS WITHIN THE COALITION. DISSENTERS IN THE CABINET BOTH OF HAWKS, COMMITTED TO SETTLEMENTS THROUGHOUT THE DENSELY POPULATED PORTIONS OF THE WEST BANK, AND OF RELATIVELY DOVISH ELEMENTS, OPPOSED TO SETTLEMENT IN THE "HEARTLAND OF SAMARIA," HAS LED TO PERIODIC AND BITTER RECRIMINATIONS. SHARON HAS SPEARHEADED THE HAWKISH DRIVE, RECEIVING CRUCIAL SUPPORT FROM MINISTER TAMMER OF THE NATIONAL RELIGIOUS PARTY (NRP). DAYAN AND WEIZMAN HAVE LED THE EFFORT TO REDUCE THE PACE, SCOPE, AND EXTENTATION OF WEST BANK SETTLEMENT ACTIVITIES.

2. THE LATEST CONTROVERSY CENTERS ON PROPOSALS FOR ACQUISITIONING PRIVATELY OWNED ARAB LAND IN THE WEST BANK IN ORDER TO PROVIDE EXISTING SETTLEMENTS WITH "BREATHING SPACE." SETTLEMENT ACTIVISTS OF THE GUSH EMUNIM HAVE TAKEN UNAUTHORIZED STEPS TO EXPAND THE LANDHOLDINGS.

3. TRYING TO FIND THE PROPER RESPONSE TO MOUNTING CONSPIRED PRESSURES, THE CABINET FINDS ITSELF CAUGHT IN A FOREIGN POLICY (US AND INTERNATIONAL) CONSIDERA-

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TIONS ON THE ONE HAND AND POWERFUL DOMESTIC POLITICAL FORCES ON THE OTHER. DAYAN AND WEIZMAN ARE INCLINED TO OPPOSE THE DEMANDS OF THE SETTLERS, BUT BEGIN REMAINS A MAN DIVIDED AGAINST HIMSELF. HE HAS A COMMITMENT TO A GREATER ISRAEL, YET HE WANTS ALSO TO BECOME ISRAEL'S PEACEMAKER. PERHAPS THE MOST DETERMINING CONSIDERATION, HOWEVER, IS HIS ANALYSIS OF THE DOMESTIC POLITICAL IMPLICATIONS OF A WEST BANK SETTLEMENT POLICY LESS CONGENIAL TO GUSH KHUNIN.

4. ALL MAJOR DECISIONS OF THE BEGIN GOVERNMENT ARE BEING MADE WITH AN EYE TO THE DECLINING POLITICAL STRENGTH OF THE COALITION. THE STEEP DROP IN BEGIN'S PUBLIC STANDING AND THE IMPRESSIVE INCREASE IN LABOR'S STRENGTH PORTEND DEFEAT FOR THE LIKUD IN THE NEXT ELECTION. BEGIN IS EXTREMELY SENSITIVE TO THE NEED TO ACCOMMODATE THOSE WHO COULD BRING HIS GOVERNMENT DOWN.

5. THE LEVERAGE OF THE NRP HAS BEEN UNEANCHED BY THE RECENT ESTABLISHMENT OF THE ULTRA-NATIONALIST TALIYA (RENEWAL) PARTY, WHICH WILL HAVE CONSIDERABLE APPEAL TO HAVES WITHIN BOTH THE NRP AND THE LIKUD. THE PRESSURE FROM TALIYA WILL PREVENT HAMMER FROM WANDERING FROM THE BANKISH PATH.

6. NRP PRESSURE ON BEGIN IS EFFECTIVE BECAUSE THE NRP HAS THE ABILITY TO BRING THE GOVERNMENT DOWN, AND THEREFORE AN NRP THREAT TO DO SO IS CREDIBLE. LEADERS OF THE NRP'S YOUTH FACTION HAVE INDICATED THAT THEY WILL CONTEMPLATE A RETURN TO THE "HISTORIC PARTNERSHIP" WITH LABOR IN PREFERENCE TO A BEGIN "SELL-OUT" ON THE WEST BANK.

7. CONVERSELY, THE LEVERAGE OF THE DOVISH ELEMENTS IN THE COALITION IS WEAK. YADIN'S PARTY WOULD BE UNLIKELY TO LEAVE IT, DESPITE OCCASIONAL THREATS TO DO SO. YADIN AND HIS COLLEAGUES REALIZE THAT THE FALL OF THE CABINET AND NEW ELECTIONS WOULD ASSURE THEIR OWN POLITICAL OBLIVION.

8. THE LIBERAL PARTY, WHICH CONTAINS A SIGNIFICANT DOVISH ELEMENT, WOULD BE LOATH TO BRING THE GOVERNMENT DOWN. SUCH AN ACT WOULD TERMINATE THE LIBERALS' 14-YEAR ALLIANCE WITH MERUT AND WISE HEAVY ELECTION LOSSES AND POSSIBLY WILE TO THE POLITICAL FRINGE. THE LIBERALS ARE DEEPLY CONCERNED ABOUT THE NEGATIVE IMPACT OF BEARON'S SETTLEMENT SHERMANICANS ON US PUBLIC OPINION, BUT HAVE LITTLE INFLUENCE WITH BEGIN ON THIS ISSUE.

5 THE ULTRA-ORTHODOX AGUDAT YISRAEL IS IN THE MAIN A

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REVISE PARTY, BUT IT REDEEMS THE POLITICAL I.O.U.S. THAT  
IT HELDS FOR CONCESSIONS ON RELIGIOUS ISSUES OF  
PESA CONCERNED TO IT.

10. FOR THE ABOVE REASONS, THE BEHAVIOR OF THE BEGIN  
GOVERNMENT ON THE SETTLEMENT ISSUE IS UNLIKELY TO CHANGE  
IN THE FORESEEABLE FUTURE. ONLY A LABOR PARTY DECISION  
TO ESTABLISH A NATIONAL UNITY GOVERNMENT WITH THE LIKUD  
COULD FREE BEGIN FROM THE CONSTRAINTS THAT THE NRP  
CONTINUES TO IMPOSE. IN THE ABSENCE OF SUCH A DECISION,  
THE BEGIN ADMINISTRATIVE'S SETTLEMENT POLICY WILL CONTINUE  
TO BE GOVERNED BY THE LIMITS IMPOSED LARGELY BY THE NRP.

11. (U) EGYPT-ISRAEL: BUTRUS GHALI TOLD A FRENCH PRESS  
GROUP ON OCTOBER 11 THAT, EVEN IF NEGOTIATIONS ON  
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PAL-ESTINIAN AUTONOMY FAIL. HE DOES NOT BELIEVE THAT THERE WILL BE FURTHER HOSTILITIES BETWEEN EGYPT AND ISRAEL. HE SAID THAT THE TREATY WILL BE SIGNED, AND "ON FEBRUARY 25, THERE WILL BE AN EGYPTIAN AMBASSADOR IN TEL AVIV." THE CAIRO PRESS FEATURED HIGHLIGHTS OF HIS SPEECH WHICH INCLUDED DEMANDS ON ISRAEL TO

- (A) HALT SETTLEMENT ACTIVITIES IN OCCUPIED TERRITORIES;
- (B) PROHIBIT JEWISH PURCHASE OF ARAB LANDS;
- (C) GRANT GENERAL AMNESTY TO POLITICAL DETAINEES; AND
- (D) TRANSFER ISRAELI MILITARY OUT OF ARAB CITIES.

10. (C) SADAT-MARTIAL LAW: EMBASSY CAIRO REPORTS THAT THE LOCAL PRESS OCTOBER 11 WAS DOMINATED BY REPORTS OF SADAT'S SPEECHES TO THE JUDICIARY IN WHICH HE PLEDGED TO ABOLISH MARTIAL LAW AS SOON AS ISRAEL HAS WITHDRAWN FROM SINAI; HE MAINTAINED, HOWEVER, THAT MARTIAL LAW HAD IN FACT NEVER BEEN APPLIED. SADAT ALSO OUTLINED HIS PLANS TO REINVIGORATE THE ROLE OF SOCIALIST PROSECUTOR TO DEAL WITH THOSE WHO ARE "EXPLOITING DEMOCRACY."

THE EMBASSY COMMENTS THAT THE ABOLITION OF MARTIAL LAW HAS BEEN REPEATEDLY DEMANDED BY SADAT'S CRITICS AND OTHERS SINCE THE SIGNING OF THE PEACE TREATY. IN HIS COMMENTS SADAT HAS DELAYED THE ABOLITION FOR ANOTHER TWO YEARS. MORE DISQUIETING TO THE EMBASSY IS SADAT'S APPARENT INTENT TO GIVE BIRTH TO THE JOB OF SOCIALIST PROSECUTOR BY PERMITTING HIM TO FUNCTION ENTIRELY OUTSIDE THE NORMAL JUDICIAL STRUCTURE, WITH POLITICAL CASES TRIED BEFORE SPECIAL COURTS AND APPEALS REFERRED TO A PARLIAMENT IN WHICH SADAT'S PARTY ENJOYS A MASSIVE

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MAJORITY.

13. (C) NEW ISRAELI PARTY: EMBASSY TEL AVIV HAS REPORTED THAT THE OBJECTIVES OF THE NEW FAR-RIGHT TEHIYA PARTY WILL INCLUDE A HALT IN THE ISRAELI WITHDRAWAL FROM SINAI; ABANDONMENT OF AUTONOMY; IMMEDIATE ANNEXTION OF THE WEST BANK, THE GOLAN HEIGHTS, AND THE GAZA STRIP; A REVISION OF THE ISRAELI-EGYPTIAN PEACE TREATY. POLLS INDICATE THAT TEHIYA CAN EXPECT TO WIN 4 TO 5 KNESSET SEATS IN A GENERAL ELECTION.

14. (U) BOMB EXPLODES NEAR JERUSALEM: REUTER REPORTS THAT A TIME BOMB EXPLODED EARLY OCTOBER 12 IN A WOODED AREA NEAR UN HEADQUARTERS IN JERUSALEM BUT CAUSED NO CASUALTIES OR DAMAGE. ISRAELI POLICE SAID THAT THE BOMB APPEARED TO HAVE BEEN SET BY ARAB GUERRILLAS.

15. (U) WEST BANK SETTLEMENTS EXPANSION: RADIO JERUSALEM REPORTED OCTOBER 13 THAT THE ISRAELI CABINET VOTED TO EXPAND SEVEN SETTLEMENTS IN THE WEST BANK. THE LAND TO BE USED FOR THE EXPANSION WILL INCLUDE GOVERNMENT LAND AND "LANDS WHOSE REGISTRATION HAS NOT YET BEEN FINALIZED IN THE LAND REGISTER," ALTHOUGH THE CABINET REJECTED DEMANDS BY SETTLERS TO SEIZE PRIVATE ARAB PROPERTY.

16. (U) SINAI WITHDRAWAL: ACCORDING TO RADIO CAIRO, ON OCTOBER 13 THE EGYPTIAN CABINET APPROVED THE AGREEMENT ON THE TASKS OF THE UNKP DURING THE ISRAELI WITHDRAWAL FROM SINAI.

17. (U) SHARON TO VISIT EGYPT: EMBASSY CAIRO HAS BEEN INFORMED BY EGYPTIAN MINISTER OF AGRICULTURE MAMMOUD DAWOOD THAT ISRAELI MINISTER OF AGRICULTURE SHARON HAS ACCEPTED HIS INVITATION TO VISIT EGYPT AND WILL ARRIVE ON OCTOBER 16. THE TWO MINISTERS WILL DISCUSS COOPERATION IN LAND RECLAMATION AND SETTLEMENT.

18. (U) ARAB SUMMIT CONFERENCE: REUTER REPORTS THAT JORDANIAN PREMIER AL-HUSS ANNOUNCED OCTOBER 11 THAT AN ARAB SUMMIT CONFERENCE DEALING PRIMARILY WITH SOUTHERN SYRANON WILL BE HELD IN TUNIS ON NOVEMBER 20. AL HUSS SAID THE AGREEMENT WAS REACHED THROUGH SAUDI CONTACTS WITH TUNISIAN LEADERS. ALL ARAB LEAGUE COUNTRIES EXCEPT EGYPT ARE EXPECTED TO ATTEND.

19. (U) JORDANIAN PRESS REACTION: THE WEEKEND EDITION OF AMMAN PRESS REPORTS BRITISH MINISTER HURD'S CONDEMNATION OF ISRAEL'S SETTLEMENT POLICY DURING HIS MEETING WITH

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PRINCE HASSAM. AR-RAY HEADLINED THE NEW PEACE PROPOSALS SUGGESTED BY LORD CARADON WHICH INCLUDE:

(A) DIVIDING JERUSALEM INTO TWO PARTS, ONE RULED BY THE ARABS THE OTHER BY THE ISRAELIS;

(B) APPOINTING A UN BORDER COMMITTEE; AND

(C) AMENDING THE 1967 BORDERS.

20. (U) EC-PLO: RADIO BRUSSELS REPORTS THAT A SPOKESMAN FOR THE EC COMMISSION HAS DENIED ANNOUNCEMENTS THAT COMMUNITY REPRESENTATIVES WILL MEET WITH FARUQ QADDOMI DURING HIS STAY IN BRUSSELS.

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(C) BUT EMBASSY BRUSSELS COMMENTS THAT THE RECENT  
OFFICE OF EC PRESIDENT O'KENNEDY DOES INDICATE THAT THE  
COMMUNITY IS SLOWLY MOVING TOWARD RECOGNITION OF THE  
PLO.

21. (C) PRC-CAMP DAVID ACCORDS: CHINA "REJECTS" THE  
CAMP DAVID ACCORDS BECAUSE THEY DO NOT PROVIDE FOR A  
COMPREHENSIVE PEACE SETTLEMENT, ACCORDING TO THE CHINESE  
AMBASSADOR IN KUWAIT. THE STATEMENT, QUOTED BY THE  
KUWAITI NEWS SERVICE, IS SURPRISING AS BEIJING HAS UNTIL  
NOW PROVIDED FACIT SUPPORT FOR CAMP DAVID, ALTHOUGH  
CRITICIZING THE ACCORDS AS INCOMPLETE. IF THIS FURTHER  
CHINESE STATEMENT IS NOT A MISQUOTE, IT COULD BE ONE  
MORE REFLECTION OF A RECENT, MORE PESSIMISTIC CHINESE  
OPINION REGARDING THE SUCCESS POTENTIAL OF THE US-INSPIRED  
PEACE EFFORT.

THE AMBASSADOR REFUSED, HOWEVER, TO BACK DOWN ON STRONG  
CHINESE SUPPORT FOR CAIRO. THERE IS NO LINK, HE SAID,  
BETWEEN THE PALESTINE QUESTION AND CHINESE ARMS SUPPLY  
TO EGYPT WHICH TAKES PLACE ON A COMMERCIAL BASIS.  
THIS REPORTS TO BE THE FIRST PUBLIC CHINESE ADMISION  
THAT THE PLO IS SELLING ARMS TO EGYPT. BEIJING WAS  
EMBA BARRERED BY, AND REFUSED TO CONFIRM, JUNE PRESS  
REPORTS OF ITS ARMS DEALS WITH CAIRO.

22. (LCU) PLO-CLASSIFIED: EMBASSY BLIRUT REPORTS THAT  
THE PLO IS TRYING TO CLARIFY ITS POSITION IN THE WAKE OF  
CONFESSION OVER THE PLO'S POSITION FOLLOWING REV. JESSE  
JACKSON'S VISIT TO LEBANON. A LEBANESE NEWSPAPER SAID  
THIS WEEK THAT A NEW PLO DIRECTIVE STATES THAT THE PLO'S  
RECENT "UNILATERAL" CEASEFIRE IN SOUTHERN LEBANON IS  
SIMPLY A REAFFIRMATION OF AN ALREADY EXISTING SITUATION.  
THE DIRECTIVE ALSO SAID THAT THE JACKSON VISIT DID NOT  
CHANGE THE PLO'S BASIC STRATEGY OF CONTINUING THE ARMED

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STRUGGLE UNTIL PALESTINIAN RIGHTS HAD BEEN REESTABLISHED.

23. (U) FAUNTROY-APARAT: REP. FAUNTROY HAS WITHDRAWN HIS INVITATION TO APARAT TO VISIT THE US. AP REPORTS THAT FAUNTROY SAID HE WITHDREW THE INVITATION BECAUSE THE PLO HAD REJECTED THE PEACE PLAN PROPOSED BY LEADERS OF THE SCLC.

24. (U) PLO-IRAN: REUTER REPORTS THAT A SENIOR MEMBER OF FATAH INVITED ABOLHASSAN BANI SADE A LEADING MEMBER OF IRAN'S REVOLUTIONARY COUNCIL TO VISIT SOUTH LEBANON, ACCORDING TO PALESTINIAN SOURCES. BANI SADE SAID HE WAS RESPONSIBLE FOR ASSESSING THE NEED FOR IRANIAN ASSISTANCE TO THE PALESTINIAN REVOLUTION.

25. (C) IRAQ-PERY: US INTERESTS SECTION, BAGHDAD, REPORTS THAT IRAQ AND PERY HAVE SUCCESSFULLY NEGOTIATED THE REOPENING OF THEIR DIPLOMATIC MISSIONS IN BAGHDAD AND ADEN, FOLLOWING THE RELEASE OF PRISONERS TAKEN IN LAST YEAR'S CONFLICTS OVER THE MURDER OF AN IRAQI PROFESSOR IN ADEN. ACCORDING TO A FAR DIPLOMAT, THE AGREEMENT TO NORMALIZE RELATIONS WAS PREDICATED ON THE ASSIGNMENT OF COMPLETELY NEW STAFFS TO BOTH MISSIONS.

26. (S) ISRAELI AIR FORCE: OUR DEFENSE ATTACHE IN TEL AVIV BELIEVES THAT THE ISRAELI AIR FORCE MAY BEGIN FLYING THEIR F-15S IN COMBAT AIR PATROLS OFF THE COAST AND ESCORTING RECONNAISSANCE FLIGHTS WITH OTHER FIGHTERS. THIS ACTION MAY BE CAUSED BY THEIR FEAR OF LOSING F-15S AND THEIR DESIRE TO GIVE F-4, MIRAGE, AND EF200 PILOTS AN OPPORTUNITY TO PARTICIPATE IN A DOGFIGHT, THE DEFENSE ATTACHE COMMENTS.

27. (C) SYRIAN TROOP ROTATION: WESTERN MILITARY OFFICERS REPORT THAT THE SYRIAN 7TH MECHANIZED INFANTRY DIVISION IS REPLACING 5TH DIVISION UNITS IN LEBANON, INDICATING THAT A COMPLETE DIVISIONAL ROTATION IS UNDERWAY. ACCORDING TO DEFENSE ATTACHE DAMASCUS, THIS IS A NORMAL ROTATION.

28. (LOU) PHALANGIST HOSTAGES: EMBASSY BEIRUT REPORTS THAT ACCORDING TO SOURCES IN THE LEBANESE ARMY SEVERAL HOSTAGES ARE STILL BEING HELD BY FRANKIE'S FORCES DESPITE HIS RELEASE OF 160 PRISONERS LAST WEEK IN RESPONSE TO THE PLO'S REQUEST. THESE SOURCES AND THE LEBANESE PRESS ALSO INDICATE THAT PHALANGISTS ARE STILL HOLDING 28 HOSTAGES AND ARE DEMANDING CERTAIN CONDITIONS FOR THEIR RELEASE, INCLUDING:



(A) RETURN OF PRO-PHALANGIST INHABITANTS TO THEIR HOMES IN NORTHERN LEBANON;

(B) RELEASE OF PHALANGISTS ARRESTED BY SYRIA AFTER THE KILLING OF FRANJIEN'S RELATIVES; AND

(C) REPLACEMENT OF SYRIAN MILITARY WITH LEBANESE MILITARY IN THE NORTH. VANCE

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TO INTSUM COLLECTIVE PRIORITY

INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 3004

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SECRET SECTION 01 OF 03 STATE 270491/01

E.O. 12065 GDS 10/16/85 (MONTVILLE, JOSEPH V.)

TAGS: EG, IS, PINK

SUBJECT: INTSUM 917 - OCTOBER 16, 1979

LONDON FOR GLASPIE

PARIS FOR NICHOLAS MURPHY

DOL/ISA FOR RANSOM

OTHER ADDRESSEES FOR CHIEFS OF MISSION

(PARAGRAPHS 1-8 CONFIDENTIAL)

1. ISRAEL: STATE OF THE LABOR PARTY: IN THE MONTHS SINCE THE LABOR PARTY SUFFERED ITS SHATTERING DEFEAT IN THE LAST GENERAL ELECTION (MAY 1977), ITS STANDING IN THE PUBLIC OPINION POLLS HAS BEEN RISING. THE MOST RECENT POLLS SHOW IT AHEAD OF LIKUD BY A SUBSTANTIAL MARGIN. UNLESS BEGIN IS ABLE TO REVERSE THIS TREND, LABOR WILL PROBABLY WIN THE NEXT ELECTION AND ONCE AGAIN BECOME THE CENTER OF A COALITION GOVERNMENT.

2. LABOR'S GAIN IN PUBLIC ESTEEM IS DUE LESS TO THE GROWTH OF ITS APPEAL THAN TO THE POOR PERFORMANCE OF THE LIKUD-LED GOVERNMENT AND LIKUD'S COALITION PARTNER, YADIN'S DEMOCRATIC MOVEMENT. INDEED, RECENT POLLS INDICATE THAT BOTH COMPONENTS OF YADIN'S ORIGINAL DEMOCRATIC MOVEMENT FOR CHANGE (DMC) WILL BE VIRTUALLY ANNIHILATED IN THE NEXT ELECTION. THE INEFFECTIVENESS OF YADIN AND THE DEMOCRATIC MOVEMENT HAVE CONVINCED THOSE EX-LABORITES WHO LEFT LABOR FOR THE DMC THAT THE ONLY WAY TO ACHIEVE CHANGE IS BY RETURNING TO AND WORKING THROUGH LABOR.

3. THE BIGGEST PLUS FOR LABOR HAS BEEN THE DISMAL PERFORMANCE OF THE LIKUD-LED GOVERNMENT, ESPECIALLY IN THE ECONOMIC SPHERE, WHERE RUNAWAY INFLATION, SUBSIDY CUTS, AND GENERAL MISMANAGEMENT HAVE DEMORALIZED THE PUBLIC. BEGIN'S GROWING INABILITY TO EXERT STRONG LEADERSHIP OVER CABINET, PARTY, AND COUNTRY HAS BEEN A THROCK TO MANY OF HIS ERETWHILE SUPPORTERS. IT WAS A CALLING FOR DECISIVE LEADERSHIP THAT LED MANY SEPHARDIC ISRAELIS TO SUPPORT BEGIN IN 1977.

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4. BEGIN'S HANDLING OF FOREIGN POLICY ISSUES HAS ALSO  
ELECTED WIDESPREAD DISHAY WITHIN ISRAEL.

~~REPELLED BY HIS CONCESSIONS TO SADAT AND BY THE AUTONOMY  
PLAN.~~

(B) LOVES REMAIN REPELLED BY HIS APOCALYPTIC STYLE AND  
BY THE WEST BANK SETTLEMENT PROGRAM THAT THEY BELIEVE  
ENDANGERS THE PEACE AGREEMENT WITH EGYPT AND DELOUDS  
RELATIONS WITH THE US.

(C) POLITICALLY SOPHISTICATED CIRCLES ARE CONCERNED  
THAT BEGIN'S POSTURING IS DAMAGING ISRAEL'S STANDING  
IN US PUBLIC OPINION.

5. WHILE THE GOVERNMENT IS THUS BESET BY MANY PROBLEMS,  
LABOR IS RIVEN BY PERSONAL, FACTIONAL, AND IDEOLOGICAL  
DIFFERENCES. MANY PARTY MEMBERS STRONGLY MISTRUST PARTY  
CHAIRMAN PERES. HIS LEADERSHIP HAS NOT BEEN PARTICULARLY  
IMPRESSIVE OVER THE PAST TWO YEARS. NEVERTHELESS, HE  
WILL PROBABLY CONTINUE TO LEAD THE PARTY AND BE ITS  
CANDIDATE FOR PRIME MINISTER IN THE NEXT ELECTIONS. AT  
THE SAME TIME, PERES FACES CONTINUOUS PRESSURE FROM HIS  
ENEMIES. AMONG THESE, FORMER PRIME MINISTER RABIN IS THE  
MOST EMBITTERED AND VENGEFUL. HE HAS RECENTLY PUBLISHED

HIS MEMOIRS, IN WHICH HE DESCRIBES PERES AS AN INVETERATE  
SCHEMER WHO IS UNFIT TO BE PRIME MINISTER. RABIN, WHO  
BELIEVES THAT PERES UNDERMINED HIM AT EVERY TURN DURING  
HIS GOVERNMENT, GIVES THE IMPRESSION OF BEING A MAN WHO  
WOULD DESTROY PERES EVEN AT THE COST OF DESTROYING LABOR  
IN THE PROCESS. RABIN CAN HURT PERES, BUT IT IS UNLIKELY  
THAT THE FORMER COULD BECOME PRIME MINISTER AGAIN.

6. YIGAL ALLON, ONCE FOREIGN MINISTER AND LONGTIME  
ADVERSARY OF PERES, REFUSES TO COUNT HIMSELF OUT OF A  
POSSIBLE CONTEST WITH PERES. ALLON IS UNTAINTED BY  
SCANDAL, BUT HE IS ANOTHER OLD FACE WHOM INCREASINGLY  
PRAGMATIC LABOR POLITICIANS WOULD BE DISINCLINED TO  
ACCEPT AS LEADER.

7. MANEUVERING FOR POSITION AND POWER ALSO CONTINUE ON  
A LOWER LEVEL IN THE LABOR PARTY. RELATIVELY YOUTHFUL  
LEADERS OF THE RECENTLY MERGED KIBBUTZ FEDERATIONS AND  
OF SOME BRANCH ORGANIZATIONS ARE SEEKING TO INCREASE  
THEIR OWN POWER AND RID LABOR OF ITS WORN-OUT IMAGE BY  
REPLACING MANY OF THE OLDER SECONDARY LEADERS OF THE  
PARTY.

8. FOR THE NEAR TO INTERMEDIATE TERM, LABOR WILL CONTINUE  
TO ATTACK BEGIN FOR MISMANAGEMENT OF THE ECONOMY, DISHAY  
IN THE CABINET, AND ERRORS IN FOREIGN AND SETTLEMENT  
POLICIES. HE IS VULNERABLE ON THE FIRST TWO ISSUES, WHICH  
ARE RISKLESS FOR LABOR. AT THE SAME TIME, LABOR WILL  
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TO INTSUM COLLECTIVE PRIORITY

INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 3005

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SECRET SECTION 02 OF 03 STATE 270491/02

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RETAIN ITS CONTACTS WITH THE NATIONAL RELIGIOUS PARTY SO THAT THE "HISTORIC PARTNERSHIP" BETWEEN THE TWO CAN BE RESUMED AFTER THE NEXT ELECTION--PROVIDING THAT THEY CAN REACH AGREEMENT ON THE WEST BANK ISSUE.

9. (U) WEST BANK SETTLEMENTS: ON OCTOBER 15 ISRAELI TROOPS BEGAN EVICTING GUSH EMUNIM SETTLERS FROM THE 31 TEMPORARY CAMPS THAT THEY HAD SET UP OVERNIGHT IN REACTION TO THE CABINET DECISION ON WEST BANK SETTLEMENTS. GUSH EMUNIM CONTINUES TO DEMAND THAT ISRAEL SEIZE ARAB-OWNED LAND FOR JEWISH SETTLEMENTS.

THE WEST BANK PRESS CLAIMED THAT THE GOVERNMENT DECISION TO USE ONLY "STATE LANDS" WAS MERELY A PLAY ON WORDS, ADDING "THE VERY ACT OF SETTLEMENT IS ILLEGAL." IN A RELATED INTERVIEW, DEPUTY PRIME MINISTER YADIN STATED, "IN THE FUTURE AS IN THE PAST, WE, THE DEMOCRATS, WILL BE OPPOSED TO ANY SETTLEMENTS WHOSE ESTABLISHMENT IS NOT FOR SECURITY REASONS."

10. (U) JORDAN PRESS: RADIO AMMAN SAID THAT THE ISRAELI DECISION TO EXPAND SETTLEMENTS ON THE WEST BANK "HAS DEMONSTRATED TO THE WORLD THAT A STRONGER ISRAEL MEANS THAT ITS AGGRESSIVE AND EXPANSIONIST INTENTIONS ARE INTENSIFIED." THE OCTOBER 14 PRESS HIGHLIGHTED THE DEPARTURE OF THE JORDANIAN-PLO DELEGATION ON A FUND-RAISING TOUR OF LIDYA, ALGERIA, TUNISIA, AND MOROCCO.

11. (U) EGYPT ON ISRAELI SETTLEMENTS: RADIO CAIRO DECLARED OCTOBER 15 THAT THE ESTABLISHMENT OF NEW SETTLEMENTS OCCUPIED ARAB TERRITORIES BY ISRAEL CONTRADICTS THE CAMP DAVID AGREEMENT IN WHICH ISRAEL "WAS FORCED TO RECOGNIZE" THE "LEGITIMATE RIGHTS" OF THE PALESTINIANS.

12. (S) ISRAELI AID REQUEST FOR FY-81: EMBASSY TEL AVIV REPORTS THAT ISRAEL WILL HAVE A HUGE BALANCE OF PAYMENTS DEFICIT IN FY-81 IF IT PURSUES ECONOMIC POLICIES THAT IT NOW HAS IN MIND. ISRAEL'S FY-81 AID REQUEST ASKS THAT US ASSISTANCE BE INCREASED FAR BEYOND PRESENT LEVELS SO THAT ISRAEL WILL NOT HAVE TO TAKE VERY SEVERE AUSTERITY MEASURES.

13. (U) ~~BLACK CIVIL RIGHTS DELEGATION VISITS ISRAEL~~  
ISRAELI MEDIA ON OCTOBER 13 FOCUSED ON THE VISIT OF A  
DELEGATION OF BLACK US CIVIL RIGHTS AND LABOR LEADERS.  
PRAISE WAS GENERAL FOR THE DELEGATION'S SUPPORT FOR  
ISRAEL AND ITS CONDEMNATION OF THE PLO. ON OCTOBER 13,  
ACCORDING TO AP, BAYARD RUSTIN, PRESIDENT OF THE PHILIP  
RANDOLPH INSTITUTE AND A MEMBER OF THE DELEGATION,  
STATED THAT THOSE WHO GIVE THE IMPRESSION THAT THERE IS  
WIDESPREAD SUPPORT FOR THE PLO IN THE US ARE "DISTURBING  
THE PEACE PROCESS."

14. (U) EGYPT-SINAI OIL: EMBASSY CAIRO REPORTS THAT  
THE EGYPTIAN PRESS ON OCTOBER 14 SAID THAT EGYPT WILL NOT  
SELL OIL ON A GOVERNMENT-TO-GOVERNMENT BASIS TO ISRAEL,  
BUT ONLY TO PRIVATE COMPANIES AT THE FREE MARKET RATE.

15. (U) ASSAD'S VISIT TO MOSCOW: RADIO DAMASCUS  
REPORTS THAT ONE OF THE "MOST IMPORTANT" TOPICS FOR  
DISCUSSION DURING ASSAD'S VISIT TO MOSCOW, WHICH BEGAN  
OCTOBER 15 WILL CONCERN THE INTERNAL SITUATION IN SYRIA  
AT THIS TIME. ASSAD WILL EVIDENTLY ASK FOR INCREASED  
SOVIET ECONOMIC AND DEVELOPMENT ASSISTANCE WHICH IS NEEDED  
TO BUILD "A SOLID SYRIAN ECONOMIC BASE." RADIO TOKYO  
REPORTED OCTOBER 15 THAT BREZHNEV WILL BE UNABLE TO MEET  
WITH ASSAD FOR REASONS OF HEALTH.

16. (C) ARAB LEAGUE: THE CAIRO BRANCH OF THE ARAB  
LEAGUE HAS ANNOUNCED AN UPCOMING SERIES OF ARAB LEAGUE  
SPONSORED SEMINARS. SECRETARY GENERAL MOHAMMED RIAD  
TOLD EMBASSY CAIRO THAT HE SAW THE SEMINAR SERIES  
PRINCIPALLY AS A "HOLDING ACTION" TO KEEP THE CAIRO  
LEAGUE OFFICE ALIVE PENDING RECONCILIATION OF ARAB  
DIFFERENCES AND REUNIFICATION OF THE LEAGUE.

17. (C) RUMORS OF YEMENI-EGYPTIAN RECONCILIATION:  
ON OCTOBER 13 AN EGYPTIAN NEWSPAPER REPORTED THAT ONE  
OF THE ARAB COUNTRIES WHICH WAS A PARTY TO THE BAGHDAD  
SUMMIT RESOLUTIONS AGAINST EGYPT HAS RECONSIDERED ITS  
POSITION AND IS SEEKING TO RESTORE RELATIONS WITH EGYPT.  
AN EXPERIENCED GREEK DIPLOMAT INFORMED EMBASSY CAIRO  
THAT THE COUNTRY IN QUESTION IS THE YAR, BUT NO  
CONFIRMATION OF THIS HAS BEEN RECEIVED.

18. (U) KUWAITI OIL PRODUCTION: THE NEWSPAPER AL-WATAN  
ANNOUNCED ON OCTOBER 14 THAT KUWAIT PLANS TO CUT ITS  
OIL PRODUCTION OF 2.2 MILLION BARRELS DAILY BY A QUARTER.  
NO DATE FOR THE CUT HAS BEEN ANNOUNCED.

19. (U) THE PLO AND OIL: REUTER REPORTED ON OCTOBER 14  
THAT FAROUK QADDOUMI, HEAD OF THE PLO'S POLITICAL  
DEPARTMENT, HAS CALLED UPON THE ARAB STATES TO USE THE  
"OIL WEAPON" TO INFLUENCE NEXT YEAR'S PRESIDENTIAL  
ELECTIONS IN THE US.

20. (C) IRAN-PLO: EMBASSY TEHRAN REPORTS THAT IRANIA  
FOREIGN MINISTER YAZDI ANNOUNCED ON OCTOBER 10 THAT THE  
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PLO WOULD NOT BE PERMITTED TO OPERATE AN OFFICE IN AHMAZ KHUZESTAN. THAT SAME DAY, THE COMMANDER OF IRAN'S REVOLUTIONARY GUARD, ABOU SHARIF, AND THE MILITANT ISLAMIC GROUP, HOJAHEDDEEN, VOICED THEIR DISSATISFACTION WITH IRANIAN POLICY TOWARD THE PLO. ON OCTOBER 12 A PLO DELEGATION LED BY FATAH MILITARY COMMANDER AL-WAZIR ARRIVED IN TEHRAN TO MEET WITH THE MINISTERS OF DEFENSE AND FOREIGN AFFAIRS AND, REPORTEDLY, WITH KHOMEINI. EMBASSY TEHRAN DOES NOT FEEL, HOWEVER, THAT THE VISIT OF THE PLO DELEGATION WILL RESULT IN A CHANGE IN IRAN'S BASIC POLICY TOWARD THE PLO.

21. (U) HADDAD-SARKIS: ON OCTOBER 19 THE VOICE OF LEBANON BROADCAST A STATEMENT BY MAJOR HADDAD ANNOUNCING HIS DECISION TO CEASE PROPAGANDA AGAINST PRESIDENT SARKIS AND THE LEBANESE GOVERNMENT. HADDAD FEELS THAT THE LEBANESE GOVERNMENT IS COOPERATING WITH THE US TO REMOVE SYRIAN AND PALESTINIAN ELEMENTS FROM LEBANON. HE ALSO BELIEVES THAT LEBANON WILL BE "THE SECOND COUNTRY TO SIGN THE PEACE TREATY WITH ISRAEL." VANCE  
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SECRET SECTION #1 OF 02 STATE 272995/01

E.O. 12065 GDS 13/18/65 (MONTVILLE, JOSLPH V.)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 919 - OCTOBER 18, 1979

LONDON FOR GLASPIE  
PARIS FOR NICHOLAS MURPHY  
DOD/ISA FOR RANSOM  
OTHER ADDRESSEES FOR CHIEFS OF MISSION

WARNING NOTICE SENSITIVE SOURCES AND METHODS INVOLVED  
NOT RELEASABLE TO FOREIGN NATIONALS  
(PARAGRAPHS 1-7 CONFIDENTIAL)

1. ARAFAT'S WEST BANK VETO: A COMBINATION OF ADROIT  
DIPLOMACY, ISRAELI SETTLEMENT POLICIES, AND ARAB PESSIMISM  
OVER THE AUTONOMY NEGOTIATIONS HAVE LED TO UNPRECEDENTED  
SUPPORT FOR THE PLO ON THE WEST BANK. ARAFAT'S NEW RELATIONSHIP  
WITH HUSSEIN IS PERMITTING HIM TO PURSUE HIS WEST  
BANK POLICIES WITHOUT FEAR OF CHALLENGE BY THE KING.

2. ARAB WEST BANK NEWSPAPERS REFLECT THE POPULAR FEELING  
THAT THE ISRAELI GOVERNMENT'S CLAIMS OF FIGHTING AGAINST  
ILLEGAL SETTLEMENTS HAVE BECOME VOID: "THE GUSH EMONIM  
AND THE GOVERNMENT ARE TWO ASPECTS OF THE SAME SETTLEMENT

POLICY." MOREOVER, WEST BANKERS ARGUE THAT THE VERY ACT  
OF SETTLEMENT IS ILLEGAL NO MATTER WHETHER THE LANDS ARE  
PRIVATE OR CLAIMED AS "STATE" LANDS.

3. THESE ANXIETIES AND PRESSURES HAVE MADE EVEN NOTABLES  
WHO HARBOR GRAVE DOUBTS ABOUT THE PLO RALLY TO SHOW  
SOLIDARITY WITH THAT ORGANIZATION:

(A) JERUSALEM MAYOR FREIJ NOW SAYS THAT HE WILL  
OPPOSE ANY AUTONOMY AGREEMENT AND THAT NO CREDIBLE

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PALESTINIANS WILL PARTICIPATE. FRIJ SAID CONGEN  
JERUSALEM OFFICERS THAT HE WOULD WORK "WITH THE LAST  
DROP OF MY BLOOD" TO THWART ANY ELECTION THAT MIGHT  
BE HELD IN HIS DISTRICT.

(B) MAYOR SHAWWA OF GAZA CONTINUES TO CLAIM THAT  
HE WILL NOT PARTICIPATE FOR ANYTHING LESS THAN AN END  
TO SETTLEMENTS AND A FORMULA LEADING TO PALESTINIAN  
SELF-DETERMINATION. (THE MAYOR CONCEDES, HOWEVER, THAT  
ISRAELI AUTHORITIES COULD IMPOSE A SEAM AUTONOMY ON  
GAZA SIMPLY BY WITHDRAWING THE MILITARY GOVERNMENT.)

(C) THE VENERABLE HIKMAT AL-MASRI OF NABLUS AND HIS  
CLAN ALSO ARE VERY PESSIMISTIC THAT ANY AUTONOMY  
FORMULA THAT THEY COULD SUPPORT WILL BE ACHIEVED.

(D) AZIZ SHIHADIH SAID THAT HE AND OTHER PALESTINIAN  
MODERATES WILL NOT ATTEND THE ISRAELI-DOVE SPONSORED  
"NEW OUTLOOK" CONFERENCE IN WASHINGTON THIS MONTH  
BECAUSE THE PLO HAS ADVISED AGAINST IT.

4. EVEN IF THESE STATEMENTS ARE TO SOME EXTENT POSTURING,  
IT IS SIGNIFICANT THAT THESE MEN INCREASINGLY WANT TO BE  
SEEN PUBLICLY ALLYING THEMSELVES WITH THE MODERATE WING  
OF THE PLO. THEIR STATEMENTS INDICATE THAT THEY PERCEIVE  
THE PEOPLE UPON WHOM THEY DEPEND FOR POLITICAL SUPPORT AS  
INCREASINGLY BEHIND THE PLO. MOST WEST BANKERS AGREE  
THAT IF THE ISRAELI AUTHORITIES PERMIT MUNICIPAL ELECTIONS  
TO BE HELD NEXT SPRING ALL CANDIDATES FROM CONSERVATIVES  
TO COMMUNISTS WILL WRAP THEMSELVES IN THE MANTLE OF THE  
PLO.

5. HOWEVER, ARAFAT CANNOT MERELY DICTATE TO THE MANY  
VARIED PERSONALITIES OF THE WEST BANK. THE RELATIONSHIP  
IS ONE OF GIVE AND TAKE, WITH A CONSTANT EXCHANGE OF  
VIEWS. ARAFAT DOES NOT WANT TO LOSE THE WEST BANK  
SUPPORT HE HAS SO PAINSTAKINGLY WON. HE WOULD HAVE TO  
GIVE SERIOUS CONSIDERATION TO ANY CONSENSUS VIEW TOWARD  
AUTONOMY THAT EMERGED AMONG THE WEST BANKERS. HOWEVER,  
IN THE ABSENCE OF MAJOR ISRAELI CONCESSIONS IT IS UNLIKELY  
THAT HE WILL FEEL OBLIGED TO PERMIT COOPERATION WITH THE  
AUTONOMY PROCESS.

6. IN THE FINAL ANALYSIS, ARAFAT WILL PROBABLY BE THE ONE  
TO DECIDE THE NATURE OF THE WEST BANK RESPONSE TO ANY  
AUTONOMY AGREEMENT THAT IS EVENTUALLY NEGOTIATED. IT  
INCREDIBLY APPEARS THAT IF HE CHOOSES ARAFAT, HE WILL  
REPRESENTATIVE CANDIDATES FROM EMERGING AND PALESTINIANS  
VOTING. HE WOULD HAVE THE APPROVAL OF SYRIA, IRAQ,



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AA AND PROBABLY JORDAN AND SAUDI ARABIA AS WELL, FOR SUCH A MOVE.

7. ON THE OTHER HAND, BY ALLOWING ELECTIONS TO OCCUR ARAFAT CAN ALMOST CERTAINLY BE ASSURED OF CONTROLLING THE SELF-GOVERNING AUTHORITY; HE COULD THEN USE IT TO EMBARRASS THE ISRAELIS AND PERHAPS CAUSE THE AGREEMENT TO COLLAPSE. WHATEVER PATH HE CHOOSES, IT WILL LIKELY CONFIRM THE PLO'S CONSIDERABLE STRENGTH ON THE WEST BANK.

EE U.S. GOVERNMENT PRINTING OFFICE: 1975-334  
E B. (U) AUTONOMY TALKS: ACCORDING TO EMBASSY CAIRO, PRIME MINISTER KHALIL SAID OCTOBER 17 THAT EGYPT IS HOLDING FIRM TO ITS POSITION THAT ARAB JERUSALEM MUST BE BT #2095

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PART OF THE REGION ENJOYING AUTONOMY. HE ALSO SAID THAT PALESTINIANS MUST BE ABLE TO FORM PARTIES BEFORE ELECTIONS ARE HELD AND ELECTIONS MUST BE HELD UNDER INTERNATIONAL SUPERVISION.

9. (U) AGUDAT YISRAEL THREATENS TO LEAVE COALITION: ACCORDING TO A RADIO TEL AVIV BROADCAST, THE AGUDAT YISRAEL FACTION THREATENED OCTOBER 17 TO LEAVE BEGIN'S RULING COALITION IF THE COALITION AGREEMENT ON BANNING ABORTIONS IS NOT KEPT. MEMBERS OF THE COALITION FEEL, HOWEVER, THAT AGUDAT YISRAEL WILY NOT CARRY OUT ITS THREAT.

10. (U) CAIRO REACTION TO SETTLEMENTS: THE EGYPTIAN PRESS HIGHLIGHTED KHALIL'S INTERVIEW WITH YEDIOT AHARONOT IN WHICH HE SAID THAT ISRAEL'S DECISION TO EXPAND SETTLEMENTS ON THE WEST BANK CONFLICTS WITH BEGIN'S PROMISE TO SADAT AND PRESIDENT CARTER. HE ADDED THAT THE

ISRAELI GOVERNMENT SURPRISES EGYPT EVERY MONTH BY MAKING DECISIONS WHICH THREATEN THE ATMOSPHERE OF CONFIDENCE AND TRUST.

11. (U) CABINET DENIES SETTLEMENT PLANS: ON RADIO JERUSALEM OCTOBER 17 CABINET SECRETARY ABYE WA'OR DENIED REPORTS IN THE JERUSALEM POST THAT THE ISRAELI GOVERNMENT PLANS TO ESTABLISH SIX NEW SETTLEMENTS AS DEFENSIVE BOUTHOLDS LINKING THE JORDAN RIFT VALLEY WITH THE COASTAL PLAIN.

12. (U) DAYAN ON THE PALESTINIANS: A NUMBER REPORTS THAT DAYAN TOLD A GROUP OF US CITIZENS VISITING TEL AVIV THAT EVEN THE MOST EXTREME SYMPATHIZERS OF THE PLO WOULD NOT WANT ANOTHER ARAB-ISRAELI WAR. HE SAID THAT THE INHABITANTS OF THE WEST BANK KNOW THAT ANOTHER WAR WOULD CROSS THEM BETWEEN THE Warring SIDES AND TURN THEM INTO REFUGEES.

17. (C) PURCHASE OF WEST BANK LAND: EMBASSY TEL AVIV REPORTS THAT THE DECISION TO ALLOW THE SALE OF WEST BANK LAND TO ISRAELIS HAS HAD LITTLE EFFECT ON THE VOLUME OF LAND SALES BECAUSE OF THE FOCUS OF PUBLIC ATTENTION ON THE ISSUE. THE EMBASSY NOTES THAT FORMERLY SUCH SALES COULD BE CARRIED OUT IN SECRECY...USUALLY THROUGH ARAB "SECRET MEN".

HOWEVER, CONSULATE GENERAL JERUSALEM IS WITHHOLDING JUDGMENT. IT NOTES THAT PALESTINIANS LIKE BETHLEHEM'S MAYOR FRIJ FEAR THE EFFECTS OF THE DECISION. WE BELIEVE THAT ITS EFFECTS COULD BE PARTICULARLY TROUBLESOME IN CASES OF ABSENTEE OWNERSHIP.

14. (U) YADIN IN HOSPITAL: EMBASSY TEL AVIV REPORTS THAT DEPUTY PRIME MINISTER YADIN HAD SUFFERED A MILD HEART ATTACK ON OCTOBER 16 AND IS NOW IN HADASSAH HOSPITAL IN JERUSALEM. REUTERS REPORTED THAT YADIN WAS IN "VERY SATISFACTORY CONDITION."

15. (C) KUWAIT OIL: EMBASSY KUWAIT REPORTS THAT DURING THE AMBASSADOR'S OCTOBER 16 CALL ON THE OIL MINISTER TO PROTEST KUWAIT'S OIL POLICIES, THE MINISTER CONFIRMED PRESS REPORTS THAT KUWAIT WILL CUT ITS PRODUCTION NEXT YEAR. HE ALSO HINTED THAT THERE WILL BE A SECOND PRICE RISE TO AROUND DOLLARS 22.00 A BARREL IN THE NEXT TWO WEEKS.

16. (U) SYRIA/USSR ON IRAQ AND PLO: ACCORDING TO A UNIDENTIFIED CLANDESTINE SOURCE, SYRIAN FOREIGN MINISTER KHADAM TOLD GROMYKO LATE IN SEPTEMBER THAT PRESIDENT SADDAM HUSSEIN OF IRAQ WAS TREACHEROUS AND NOT A TRUE ALLY OF THE SOVIET UNION. GROMYKO REPORTEDLY AGREED AND ADDED THAT NEITHER HE NOR MOSCOW TRUSTED SADDAM HUSSEIN. KHADAM ALSO TOLD GROMYKO THAT SYRIA WAS WORRIED THAT THE PLO WAS TOYING WITH THE IDEA OF OPENING A DIALOGUE WITH THE US.

17. (S/NF) SYRIA AND THE AS-9: A RELIABLE WESTERN EUROPEAN MILITARY OFFICER HAS INFORMED OUR DEFENSE ATTACHE IN DAMASCUS THAT HIS HEADQUARTERS INFORMED HIM ON OCTOBER 17 THAT SYRIA HAD RECEIVED THE AS-9 AIR-TO-SURFACE MISSILE.

18. (U) IRAQ-CUBANS: RADIO BAGHDAD BROADCAST STATEMENTS BY PRESIDENT SADDAM HUSSEIN OCTOBER 17 IN WHICH HE DENIED STATEMENTS BY US OFFICIALS ON THE PRES-  
SENCE OF CUBAN SOLDIERS IN IRAQ.

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19. (C) PHALANGIST HOSTAGES: EMBASSY BEIRUT REPORTS THAT THE HOSTAGE SITUATION IN NORTH LEBANON REMAINS UNCHANGED. PHALANGE SOURCES SAY THEY DO NOT EXPECT AN EARLY RELEASE OF FRANJIYAH'S FOLLOWERS. AN ATTORNEY REPRESENTING THE MARONITE LEAGUE IS ATTEMPTING TO MEDIATE THE DISPUTE. VANCE

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- THE 14 OCTOBER RISC CONTAINS FOUR ITEMS.
1. ISRAEL: DAYAN RESIGNATION. (S/NOFORN)
  2. ARABIAN PENINSULA: FOREIGN MINISTERS CONFERENCE. (S/NOFORN)
  3. OTHER SIGNIFICANT DEVELOPMENTS. (U)
  4. INDICATIONS AND WARNING STATUS: NO CHANGE. (U)

PAGE 2 RUSNAAA2742 S E C R E T NOFORN

1. (S/NOFORN - ALL PARAS) ISRAEL: FOREIGN MINISTER DAYAN'S RESIGNATION SUNDAY IS CERTAIN TO DAMAGE THE GOVERNMENT'S ABILITY TO RETAIN POWER. PRIME MINISTER BEGIN'S MOST PRESSING PROBLEM IS TO REPLACE DAYAN, WITHOUT PROVOKING WIDER DIFFICULTIES WITHIN THE COALITION. HAGGLING HAS ALREADY BEGUN OVER REORDERING CABINET POSTS. THE PRIME MINISTER WILL ATTEMPT TO PRESERVE AN ACCEPTABLE DISTRIBUTION OF CABINET POSTS, AND TO COMPLETE THE REFORMS QUICKLY TO END OFF INTERNAL PARTY FEUDING. IN THE MEANTIME, BEGIN WILL HOLD THE FOREIGN MINISTER PORTFOLIO HIMSELF. THERE IS ALREADY CONSIDERABLE PUBLIC OPPOSITION TO THE GOVERNMENT'S DISASTROUS ECONOMIC POLICY WHICH HAS ALLOWED TRIPLE-DIGIT INFLATION. FOR THE LAST TWO MONTHS, IT HAS BEEN RUNNING AT AN ANNUAL RATE OF 150 PERCENT, AND WILL BE OVER 100 PERCENT FOR THE YEAR.

IN RECENT MONTHS, THE GOVERNMENT'S POPULARITY HAS STEADILY DECLINED, IN PUBLIC OPINION POLLS, WHICH HAVE SHOWN A MAJORITY PREFER THE OPPOSITION LABOR PARTY.

PAGE 3 RUSNAAA2742 S E C R E T NOFORN

BEGIN'S PERSONAL STANDING HAS ALSO SUFFERED. ACCORDING TO A POLL TAKEN BEFORE DAYAN'S RESIGNATION, FOR THE FIRST TIME MORE PEOPLE WERE DISSATISFIED WITH BEGIN'S PERFORMANCE, THAN WERE SATISFIED. REFLECTING THIS INCREASING DISSATISFACTION HAS BEEN THE SINDLING OF LIAUD'S PARLIAMENTARY MAJORITY FROM 17 TO 5 SEATS.

OPPOSITION LABOR PARTY LEADER, SHIMON PERES, PREDICTABLY APPRAISED DAYAN'S RESIGNATION, WHICH WILL UNDERMINE PUBLIC CONFIDENCE IN BEGIN'S LEADERSHIP ON THE PEACE ISSUE. UNTIL NOW, THIS HAS BEEN BEGIN'S GREATEST SOURCE OF STRENGTH. PERES HAS CALLED FOR BEGIN'S RESIGNATION AND WILL VIGOROUSLY SEEK TO EXPLOIT PUBLIC CRITICISM.

BEGIN ON THE OTHER HAND, SURVIVED FIVE NO CONFIDENCE MOTIONS IN THE PARLIAMENT YESTERDAY BY A VOTE OF 59 TO 47. ALL MEMBERS OF THE LIAUD COALITION THAT WERE PRESENT VOTED FOR THE GOVERNMENT. THIS VOTE INDICATES THAT BEGIN IS IN NO IMMEDIATE DANGER OF LOSING POWER. (NR KOEPPEN, PM 6284) (SOURCE: USEUCOM J2, VARIOUS)

(S'COFORN - ALL PARAS) ARABIAN PENINSULA: THE FOREIGN MINISTERS OF SAUDI ARABIA, KUWAIT, QATAR, BAHRAIN, UAE AND OMAN

RECENTLY CONCLUDED A CONFERENCE AT TA'IF, SAUDI ARABIA.

PAGE 4 RUSNAAA2742 S E C R E T NOFORN

ACKNOWLEDGING THAT A DISCUSSION OF REGIONAL SECURITY FOR THE GULF WOULD BE MEANINGLESS WITHOUT IRAN AND IRAQ, THE SUBJECT WAS NOT APPROACHED, THE CONFEREES PREFERRING TO USE THE MEETING TO ENCOURAGE UNDERSTANDING AND COOPERATION AMONG THEMSELVES.

INTERNAL SECURITY MATTERS WERE ALSO DISCUSSED, INCLUDING ECONOMIC DEVELOPMENT AND THE PROBLEMS OF ARMS SMUGGLING AND THE MOVEMENT OF SUBVERSIVES ACROSS THE BORDERS OF THE SIX STATES.

ONE OF THE MORE INTERESTING THINGS TO EMERGE FROM THE MEETING WAS A REPORT PRESENTED BY THE KUWAITI FOREIGN MINISTER THAT THE SOUTH YEMENI GOVERNMENT HAD APPROACHED THE KUWAITIS IN LAVANA, AS THEY ASKED FOR KUWAITI ASSISTANCE IN SPONSORING A CONFERENCE AIMED AT IMPROVING RELATIONS BETWEEN SOUTH YEMEN AND OMAN. THE SOUTH YEMENIS HAD NOT ESTABLISHED ANY SPECIFIC CONDITIONS FOR SUCH A MEETING, BUT HAD SUGGESTED THAT IT WOULD ASSIST THEM IN THEIR PRESENT DOMESTIC POSITION, IF KUWAIT WOULD ANNOUNCE THAT THERE WAS NO TRUTH TO THE RUMORS OF AN EGYPTIAN MILITARY PRESENCE IN OMAN. IT HAD BEEN SPECULATED THAT THE SOUTH YEMENI INITIATIVE

WAS A RESULT OF THE PRESENT INTERNAL SITUATION IN THE COUNTRY, AND UNTIL THEIR DOMESTIC PROBLEMS COULD BE RESOLVED, THEY DID NOT

PAGE 5 RUSNAAA2742 S E C R E T NOFORN

WISH TO HAVE ANY PROBLEMS BETWEEN THEMSELVES AND OMAN. IT IS LIKELY THAT SUCH A MOVE IS TEMPORARY, AS WE BELIEVE SOUTH YEMENI PRESIDENT ISMA'IL HAS NOT GIVEN UP HIS LONGER TERM AMBITION OF SPREADING SOCIALISM TO ALL OF THE MORE CONSERVATIVE REGIMES ON THE PENINSULA.

THE FOREIGN MINISTERS' MEETING HAS BEEN TERMED A SUCCESS BY AT LEAST ONE ATTENDEE, WHO STATED THAT THE CONFERENCE HAS SERVED TO IMPROVE UNDERSTANDING AND COOPERATION AMONG THE LIKE-MINDED REGIMES OF THE ARABIAN PENINSULA. (MAJ RYAN, PM 0224)  
(SOURCE: AMEMB MUSCAT, USEUCOM J2)

3. (U) OTHER SIGNIFICANT DEVELOPMENTS.

A. (U) ALGERIA: ALGERIAN PRESS STRONGLY CRITICAL OF US ARMS TO MOROCCO. CHARGES ARMS "MAY BE USED AGAINST ALGERIA ITSELF," AND "ACT OF HOSTILITY TOWARD ALL PEOPLES IN NORTH AFRICA."  
(PRESS)

B. (U) MAURITANIA: FRANCE REPORTEDLY TO SEND 150 TROOPS TO NOUADIBOU IN NORTHERN MAURITANIA TO ENSURE PROTECTION OF 1,500 FRENCH IN AREA. ALSO TO "SERVE AS WARNING TO REBELS (POLISARIO)

PAGE 6 RUSNAAA2742 S E C R E T NOFORN  
NOT TO VIOLATE MAURITANIAN SOVEREIGNTY." (PRESS)

4. (U) INDICATIONS AND WARNING (I&W) STATUS: THERE ARE NO CHANGES TO THE I&W STATUS SECTION FOR TODAY, 24 OCT 79.

(SOURCE: USEUCOM J2)

FEW 23 OCT 99

BT

#2742

NNNN

CN: 3470

POL

CHARGE  
RF  
CHRON

VV ESA549ESA533BRA061

PP RUEGHR

ZNY CCCCC ZOV RUEHCR

-T- AMEMBASSY TEHRAN

PP RUEHCR

DE RUEHC #4900/01 3050347

ZNY CCCCC ZZH

P 312257Z OCT 79

FM SECSTATE WASHDC

TO INTSUM COLLECTIVE PRIORITY

INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 3093

RUEKJCS/DOD/ISA WASHDC

BT

C O N F I D E N T I A L SECTION 01 OF 03 STATE 284900/01

E.O. 12065 GDS 10/31/85 (MONTVILLE, JOSEPH V.)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 928 - OCTOBER 31, 1979

LONDON FOR GLASPIE

PARIS FOR NICHOLAS MURPHY

DOD/ISA FOR RANSOM

OTHER ADDRESSEES FOR CHIEFS OF MISSION

(PARAGRAPHS 1-10 CONFIDENTIAL)

1. ISRAEL: NOVEMBER 1 CABINET MEETING MAY BE CRUCIAL: THE SPECIAL CABINET MEETING ON NOVEMBER 1 ON SETTLEMENTS COULD PROVE DECISIVE FOR THE FATE OF THE BEGIN GOVERNMENT. THE MINISTERS WILL CONSIDER A COMPROMISE FORMULA: IT IS DESIGNED TO ENABLE BEGIN TO CARRY OUT THE SUPREME COURT DECISION TO DISMANTLE THE ELON MOREH SETTLEMENT AND AT THE SAME TIME TO PROVIDE SUFFICIENT SATISFACTION TO GUSH EMUNIM TO PREVENT THE RESIGNATION OF AGRICULTURE MINISTER SHARON, AND POSSIBLY EDUCATION MINISTER HAMMER AS WELL.

2. IT IS A TOSS UP, HOWEVER, WHETHER THE PATRONS OF THE GUSH IN THE CABINET WILL ACCEPT BEGIN'S COMPROMISE. THE WITHDRAWAL OF SHARON AND HAMMER WOULD ALMOST CERTAINLY BRING DOWN THE CABINET.

3. THE COURT RULED THAT THE ELON MOREH SETTLEMENT MUST BE REMOVED BY NOVEMBER 21. PRESS REPORTS SUGGEST THAT BEGIN IS:

(A) CONSIDERING MOVING THE ELON MOREH SETTLERS TO A NEARBY SITE;

(B) DECLARING THE LAND OCCUPIED BY THE SETTLERS A MILITARY FOOTHOLD; AND



(C) ANNOUNCING A DECISION TO ESTABLISH A LARGE NUMBER OF NEW SETTLEMENTS IN SAMARIA IN THE NEAR FUTURE.

THESE STEPS COULD ATTENUATE OR POSTPONE THE CURRENT CRISIS.

4. WHETHER SUCH MEASURES WILL WORK WILL DEPEND ON THE ATTITUDE OF GUSH EMUNIL. THE GUSH MAY NOW PREFER TO PRECIPITATE THE COLLAPSE OF THE TOTTERING BEGIN GOVERNMENT RATHER THAN VOLUNTARILY ACCEPT A COMPROMISE SOLUTION.

5. THE MEMBERS OF THE GUSH HAVE BEEN LITTERLY DISAPPOINTED IN BEGIN, WHOM THEY REGARDED IN THE PRE-1977 PERIOD AS A HEROIC FIGURE AND PATRON.

(A) THEY CONSIDER THE NEGOTIATIONS THAT BEGIN HAS CONDUCTED WITH EGYPT AS DISASTROUS.

(B) THEY SEE THE AUTONOMY PLAN AS FORESHADOWING ISRAEL'S LOSS OF THE WEST BANK.

(C) THEY REGARD BEGIN'S FAILURE (DESPITE THEIR PRODDING) TO ESTABLISH SETTLEMENTS THROUGHOUT "SAMARIA" AS A BETRAYAL OF HIS TRADITIONAL BELIEFS AND COMMITMENTS.

6. IN THE PAST, THE GUSH HAS PRESSED BEGIN THROUGH THE NATIONAL RELIGIOUS PARTY TO EXTRACT CONCESSIONS ON SETTLEMENTS. IT MAY BE THAT THE GUSH HAS BECOME CONVINCED THAT THIS TACTIC HAS NOW RUN ITS COURSE. IN ANY EVENT, IT WOULD BE VERY DIFFICULT FOR BEGIN TO REMAIN IN OFFICE IF THE GUSH CARRIED OUT ITS THREAT TO RESIST THE REMOVAL OF THE ELON GUSH SETTLEMENT. A CONFRONTATION WITH GUSH EMUNIL IS SOMETHING THAT HE WILL DO HIS UTMOST TO AVOID.

7. BEGIN'S OWN INTENTIONS WILL PLAY A MAJOR ROLE IN THE OUTCOME. BEGIN MAY BELIEVE THAT HIS STANDING FIRM IN SUPPORT OF THE SUPREME COURT DECISION WOULD ENABLE HIM TO FACE DOWN HIS OPPOSITION. ON THE OTHER HAND, HE MAY WILLINGLY COURT POLITICAL CRISIS AS A FACE-SAVING WAY TO ENGINEER HIS OWN RESIGNATION. HE MAY WELL HAVE CONCLUDED THAT IT WOULD BE BETTER FOR HIM TO LEAVE OFFICE NOW, SINCE HE HAS BEEN EMOTIONALLY SAPPED BY THE INTENSE POLITICAL CONFLICT THAT HIS FOREIGN POLICY HAS PRODUCED AMONG HIS TRADITIONAL SUPPORTERS.

8. BEGIN'S DESIRE TO BE THE PEACEMAKER -- AND THEREBY RAISE HIMSELF ONTO A LEVEL WITH MEVETZ AND BEN-GURION -- HAS CLASHED WITH HIS LIFELONG COMMITMENT TO IDEOLOGICAL PRINCIPLES, FOREMOST AMONG WHICH IS THE DEVOTION TO THE PRINCIPLE OF THE INDIVISIBILITY OF "ERETZ ISRAEL." BEGIN APPEARS INCAPABLE OF TRANSCENDING THE TRADITIONAL PULL OF IDEOLOGICAL PRINCIPLES, EVEN IF COMPROMISE IS NECESSARY FOR HIM TO ACHIEVE HIS DREAM OF BECOMING ISRAEL'S PEACEMAKER. A RESIGNATION OVER AN ISSUE OF PRINCIPLE -- SUCH AS THE CANCELLATION OF THE PLAN OF EN -- WOULD APPEAL TO A PART OF HIS NATURE.

9. YET, BEGIN MAY ALSO DECIDE TO HOLD ON, DESPITE THE PRECARIOUSNESS OF HIS POSITION. HE PROBABLY HAS NOT  
11  
549.

PAGE 2 TEL AVIV 29737 S E C R E T  
IRAQ-IRAN: EXTENT OF IRAQI INVOLVEMENT IN  
THE KUZESTAN/ARAB OPPOSITION IN KHUZESTAN TO THE  
INTENT ON TO STRENGTHEN RELATIONS WITH TEHRAN OR  
TO MOVE MORE VIGOROUSLY AGAINST THE IRANIAN REGIME.

F) THE SOVIET ATTITUDE TOWARDS THE IRANIAN REGIME  
AND OPPOSITION ELEMENTS IN IRAN.

G) THE STATE OF THE ECONOMY: MANUFACTURING, PETRO-  
LEUM AND ENERGY SECTORS.

TEXT.

NO FILE. RW 28 SEP 69 DEV D9B1. ALL SECRET-  
R E T

NRNRVV 28A5282RA047

FP RUEHHR

ZNY CCCCC ZGV RUEHCR

F- AMEMBASSY THERAN

RR RUEHCR

LE RUEHCR #4961/02 3151349

ZNY CCCCC ZZH

P 312257Z OCT '79

FM SECSTATE WASHDC

TO INTSUN COLLECTIVE PRIORITY

INFO RUEATHS/ TREASURY DEPARTMENT WASHDC PRIORITY 3054

RUEKJCS/DOD/ISA WASHDC

BT

C O N F I D E N T I A L SECTION 02 OF 03 STATE 284900/02

MADE UP HIS MIND YET ABOUT WHICH COURSE HE WILL FOLLOW.

10. IN THE MEANTIME, THIS WEEK'S CABINET RESHUFFLE, HAS BROUGHT BEGIN A LITTLE BREATHING SPACE ON ANOTHER TROUBLESOME FRONT -- THE MALFUNCTIONING OF THE CABINET. THE CHANGES LEFT THE FOREIGN MINISTRY TEMPORARILY IN BEGIN'S HANDS, BROUGHT HOROWITZ IN AS FINANCE MINISTER, MOVED EHRlich TO A NEW BUT POWERLESS POST AS SECOND DEPUTY PRIME MINISTER, AND MADE MINISTER WITHOUT PORTFOLIO NISSIM THE HEAD OF THE NEWLY ESTABLISHED MINISTRY OF INFORMATION.

11. (C) LAYAN-WEST BANK AUTONOMY: THE ISRAELI PRESS NOW SAYS, EMBASSY TEL AVIV REPORTS, THAT THE "REAL" REASON FOR DAYAN'S RESIGNATION WAS A CABINET DECISION, RECALLED FIVE MONTHS AGO, THAT ISRAELI SOVEREIGNTY WOULD BE APPLIED TO THE WEST BANK AT THE END OF THE FIVE-YEAR AUTONOMY REGIME AND THAT THIS POSITION HAS BEEN "THE COMPASS AND GUIDELINE" OF ISRAEL'S NEGOTIATING TEAM. LAYAN HAS REPORTEDLY SAID THAT THE DECISION, WHICH HE OPPOSED, WAS MADE BY THE CABINET IN A SECRET SESSION. CABINET SECRETARY NAOR AND INTERIOR MINISTER BURG HAVE DENIED THIS.

IF TRUE, THE CABINET'S DECISION IS A SIGNIFICANT DEPARTURE FROM BEGIN'S ORIGINAL POSITION ON THIS ISSUE. EMBASSY TEL AVIV COMMENTS, HOWEVER, THAT MANY ISRAELIS HAD LONG ASSUMED THAT SUCH A GOVERNMENT POSITION EXISTED, BUT THAT THIS HAD NEVER BEEN OFFICIALLY CONFIRMED.

12. (C) ISRAELI LABOR PARTY: EMBASSY TEL AVIV REPORTS THAT THE LABOR PARTY FAVORS DOING ALL IT CAN TO MOVE FORWARD THE ELECTIONS, WHICH IT IS CONFIDENT OF WINNING. PERES IS STILL VERY MUCH IN CHARGE DESPITE RABIN'S ATTACKS, ALLON'S POSSIBLE CHALLENGE FOR LEADERSHIP, AND THE GROWING STRENGTH OF THE NEW LABOR GENERATION. THE PARTY IS ALREADY EXPLORING POST-ELECTION POSSIBILITIES, SUCH AS AN ALIGNMENT WITH NON-LABOR CENTER ELEMENTS. A NATIONAL UNITY GOVERNMENT IS ALSO THOUGHT TO BE IN THE OFFING, BUT ONLY AFTER ELECTIONS.

13. (U) BEGIN'S HEALTH: HAARETZ STATED OCTOBER 30 THAT THOSE CLOSE TO BEGIN HAVE OBSERVED THAT HIS VITALITY IS "GENERALLY ON THE WANE" AND THAT HIS PREVAILING FRAME OF MIND IS CHARACTERIZED BY "GLOOMINESS AND DEPRESSION." AT THE OCTOBER 28 CABINET MEETING, BEGIN WAS REPORTEDLY "QUIET AND WITHDRAWN," FOLLOWING THE DEBATE TO TAKE ITS OWN COURSE. HAARETZ COMMENTED THAT THE CURRENT GOVERNMENT CRISIS IS, TO SOME DEGREE, RELATED TO BEGIN'S CONDITION.

14. (U) ISRAELI THEFT RING ARRESTED: AP HAS REPORTED THAT ISRAELI POLICE HAVE ARRESTED 43 SUSPECTS, 13 OF THEM SOLDIERS, IN A THEFT RING THAT ALLEGEDLY SUPPLIED STOLEN ARMY WEAPONS AND AMMUNITION TO ARAB VILLAGES IN ISRAEL. A POLICE SPOKESMAN SAID THAT THE WEAPONS WERE NOT USED FOR TERRORIST ACTIVITIES. WE HAVE RECEIVED NO CONFIRMATION OF THIS REPORT.

15. (U) BURG ON AUTONOMY TALKS: IN A PRESS CONFERENCE CARRIED OCTOBER 30 BY IDF RADIO, BURG SAID THAT HE HAD AGREED WITH THE US DELEGATION THAT AUTHORIZED ISRAELIS AND ARABS FROM THE WEST BANK AND GAZA WOULD PARTICIPATE IN THE PREPARATION AND SUPERVISION OF THE ELECTIONS. HE ADDED THAT THE "JOINT STATEMENT" ON ELECTIONS IS IMPORTANT BECAUSE IT HAS REMOVED FROM THE AGENDA THE ISSUE OF AN INTERNATIONAL BODY SUPERVISING THE PROCEEDINGS.

16. (U) ISRAEL-CANADA: RADIO JERUSALEM REPORTS THAT OFFICIALS IN ISRAEL ARE DISAPPOINTED, ALTHOUGH NOT SURPRISED, AT CANADA'S DECISION NOT TO MOVE ITS EMBASSY TO JERUSALEM.

17. (U) US AID TO ISRAEL: THE ISRAELI PRESS OCTOBER 30 CONTAINED SEVERAL STORIES REFERRING TO COMMENTS MADE BY THE STATE DEPARTMENT'S SPOKESMAN ON THE INTERVIEW GIVEN BY AID ADMINISTRATOR BENNET TO REUTER ON OCTOBER 25. DAVAR CARRIED THE MOST DETAILED ARTICLE, INCLUDING THE COMMENT THAT THE STATE DEPARTMENT "CONFIRMS THERE IS A LINK BETWEEN AID TO ISRAEL AND WITHDRAWAL FROM THE TERRITORIES."

18. (C) PLO-ITALY: EMBASSY ROME REPORTS THAT WHEN PLO OFFICIAL FARUQ QADDUMI VISITED ITALY THE FOREIGN MINISTRY INFORMED HIM THAT ITALY CANNOT RECOGNIZE THE PLO "JURIDICALLY" BUT WILL DO SO "POLITICALLY." A STATEMENT ISSUED BY FOREIGN MINISTER MALFATTI ACKNOWLEDGED THAT THE INVITATION TO QADDUMI MAY BE CONSIDERED "DE FACTO" RECOGNITION OF THE NECESSITY FOR INCLUDING THE PLO IN THE PEACE PROCESS.

19. (U) PLO-WEST GERMANY: ACCORDING TO REUTER, A WEST GERMAN SPOKESMAN CONFIRMED ON OCTOBER 29 THAT AN ISRAELI INTELLIGENCE AGENT WAS PERMITTED TO QUESTION FOUR PALESTINIAN GUERRILLAS IN A MUNICH PRISON. PLO REPRESENTATIVES IN BEIRUT AND LONN HAVE THREATENED TO TAKE SOME SORT OF RETALIATORY ACTION AGAINST WEST GERMANY.

LT  
#4962

NNNNVV ESA527BRA040

PP RUGMHR

ZNY CCCCC ZOV RUEHCR

-I- AMEMBASSY TEHRAN

RR RUEHCR

DE RUEHC #4900/03 3050350

ZNY CCCCC ZZH

P 312257Z OCT 79

FM SECSTATE WASHDC

TO INTSUM COLLECTIVE PRIORITY

INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 3095

RUEKJCS/DOD/ISA WASHDC

BT

C O N F I D E N T I A L FINAL SECTION OF 03 STATE 284900/03

20. (U) KREISKY-PLO: IN HIS ADDRESS TO THE UNGA, OCTOBER 29, KREISKY PREDICTED THAT ALL COUNTRIES WOULD SOON RECOGNIZE THE PLO AS THE REPRESENTATIVE OF THE PALESTINIANS. HE ADDED THAT, ONCE THIS HAPPENS, THE PALESTINIANS WOULD HAVE TO ACKNOWLEDGE ISRAEL, AND ISRAEL WOULD HAVE TO RECOGNIZE THE LEGITIMATE NATIONAL RIGHTS OF THE PALESTINIANS.

21. (U) CHINA-LEBANON-PLO: REUTER REPORTS THAT PRC DEPUTY FOREIGN MINISTER HO YING ARRIVED IN BEIRUT ON OCTOBER 29 FROM OMAN FOR TALKS WITH LEBANESE FOREIGN MINISTER FUAD BUTROS, ARAFAT, AND OTHER PLO LEADERS. VANCE

BT  
#4900

27 Apr 79 ZL

SECRET 120028Z APR 79 DEFERRED TELEPOUCH

DE WASH WTD 417866.

TEL AVIV INFO TEHRAN

FROM: SEVD/NE VIA NE/ISR, NE/IRAN

SUBJECT: UNICTEL BYBAT CKTOP - SOVIET INTEL OPS RUN AGAINST ISRAELI  
FROM IRAN

1. AS COGS, TEL AVIV MAY RECALL, ON THE OCCASION OF ONE OF  
 IS HAS VISIT THE IDVA OF IDENTIF TO THE ISRAELIS POSSIBLE  
 G AND OPER OPS BEING RUN AGAINST THEM FROM IRAN WAS DISCUSSED.  
 UNREQUER TO THIS DISCUSSION, COGS PLANNED TO PROVIDE RELEVANT  
 A ERIAL TO T L ANIV ONE E AN SE DI OFFICER SENT IDY TO TEHRAN  
 A A COMPLETED AN ANALYSIS OF TH S SOVIET INTEL PRESENCE, WHICH  
 A BEEN REQUESTED BY COGS, TEHRAN LATE 1978. THE ANALYSIS WAS  
 AN FACT OF LIMITED BEFORE TEHRAN STATION'S FILES, HAD TO BE DESTROYED  
 AN PERTAINING MATERIAL S PROVIDED BELOW WHICH MAY BE PASSED TO  
 L ISON, NE UNFORTUNATELY, EVENTS IN IRAN HAVE DEVIATED ANY POSSIBLE  
 JOINT OPS SE WITH THE ISRAELIS IN CONJUNCTION WITH OUR TEHRAN  
 STATION, BUT IT MAY BE OF CI VALUE TO LIAISON AS AN INDICATION OF  
 ADDUS OPERA NOT USED BY THE SOVIET IS IN A COUNTRY NEAR ISRAEL WHERE  
 A LARGE, INDIGENOUS JEWISH COMMUNI TY (CA 45,000) EXISTED.

----- DEAF LINE -----  
 1. AS YOU ARE AWARE, OUR OPERATIONS AGAINST YEVGENIY MOISEYEVICH NO  
 UTILIZING OUR AGENT "FARIDA" IN ENRAN DID NOT SUCCEED IN ESTABLIS  
 IS A HEAL IONSHIP WITH OUR TRANSI LANT OFFICER, THAT COULD BE  
 EMPLOYED RATIONALLY AGAINST KIGUT BEFORE HIS PCS DEPARTURE FOR  
 THE USSR. THE OPERATION DID ESTABLISH, HOWEVER, THAT IN AT LEAST  
 THIS CASE, T OMIET INTAL SERVICE (PROBABLY IN THE KGB) APPARENTLY WAS  
 A TEMPT MO T MOUNT AN OPERATION AT DR IRAN AGAINST ISRAELI USING  
 A JEW S B STAFF OFFICER (WHOSE IATRONYMIC S COMMONLY JEWISH),  
 O KTLA NE POSING AS A JEW, TO RECRUIT AN ISRAELI BUSINESSMAN  
 A SO THE SOVIETS DID NOT GIVE UP ON "FARIDA" WHEN KOGUT DEPARTED  
 SNGE THE SOVIETIMELY OUT ANOTHER SUSPECT, RIS, PROBABLY  
 KB OF C R, FELIKS GERGIYEVICH VOZMAN, IN CONTACT WITH HIM.  
 EVEN THOU VOZMAN IS OF ARME IAN ORIGIN, THEIR JEWISH ORIGIN, THEIR

BE 2 WASHINGTON 4 7865 S E C R E  
Y BE SIGNIFICANCE IN THE CIRCUMST  
TIONAL INQUIRY IN THE USSR THAT  
LIGIOUS PERSECUTION. IF AVOZHAN  
A MEMBER OF THE 5TH DEPARTMENT (C  
KEY) OF THE 1ST MAIN DIRECTION.

NCE THAT HE ALSO IS FROM A  
AS SUFFERED FROM RACIAL AND  
S INDEED KGB HE PROBABLY WOULD  
RAN, ISRAEL, AFGHANISTAN AND  
(FOREIGN INTELLIGENCE).

2. SINCE IT WAS SURPRISING TO L  
WISH STAFF OFFICERS AGAIN, WE UND  
LES TO ASCERTAIN IF THERE WERE AN  
IRAN HAVING A SIMILAR "JEWISH CO  
E OTHER OPERATION THAT APPARENTLY  
WONG OTHER OBJECTIVES), AND WE ID  
FICIAL VADIM MOISEYEVICH SHANOV  
S CO-OPERATE.

ARM THAT THE KGB MIGHT POSSIBLY  
RESERVATIONS ABOUT EMPLOYING  
RTOOK TO MAKE A STUDY OF OUR  
"OTHER SOVIET SPIEL OPERATIONS  
INJECTION." WE DID IDENTIFY  
WAS TARGETED AGAINST ISRAEL,  
NOTIFIED A JEWISH SOVIET EMBASSY  
LY, WHO APPARENTLY SERVED AS A

A. LESS CORRESPONDENT MIKOLAY I  
15 DEC 75 AND IS FLUENT IN FARB  
SUSPECT RES, WE ARE NOT SURE WHETHER HE IS KGB OR GRU. SEVERAL  
ONE POINT TO GRU, HOWEVER, AND T  
E GRU ALSO WAS INVOLVED IN OPERATIONS IN IRAN TARGETTED AGAINST  
HARL. (THIS IS A POINT WE HOPE U  
LL BE ADVISED.) IN 1977 KOROL TO  
TH A JEWES IRANIAN WHO THERE TOFC  
SOURCE OF INFORMATION ON IRANIAN  
CONTACT WITH THIS INDIVIDUAL PRE  
A KNOWN GRU OFFICER.) THE RELATIONSHIP CONTINUED MUCH ALONG THE  
MES. IT HAD BEFORE KOROL'S ADVENT  
HE IRANIAN JEW TO TRAVEL TO ISRAEL  
INFORMATION ON "ISRAELI POLICIES"  
MATTER DEMURED, HOWEVER, AND KOROL  
TRAVEL AGAIN UNTIL THREE MONTHS  
MUST TAKE PLACE WITHIN THE NEXT  
S DEMAND, HOWEVER, WHEN THE IRANI  
O TRAVEL ELSEWHERE AT THAT TIME,  
LAR-DEH AND THAT HE VISIT ISRAEL.

AVOVICH KOROL ARRIVED IN TEHRAN  
AND ENGLISH. ALTHOUGH KOROL  
GRU. SEVERAL  
THIS WOULD INDICATE THAT  
IRAN TARGETTED AGAINST  
AND YOU  
INTERNAL AFFAIRS. (THE SOVIET  
WHO INTRODUCED KOROL  
ALONG THE  
KOROL ASKED  
GATHER  
THE  
MATTER  
LATER, WHEN HE SAID THE TRIP  
KOROL BACKED OFF FOR  
A JEW CLAIMED PRIOR COMMITMENTS  
HE NEVER DID ACCUSE TO KOROL'S

B. A SOVIET STATE COMMITTEE RO  
FOREIGN ECONOMIC RELATIONS REPRESENTATIVE IN IRAN, EMBASSY ECONOMIC  
DUNCLEOR MADIM MOISEYEVICH SHANOVSKIY, ARRIVED IN TEHRAN 18 SEPT 75  
HILE LITTLE IS KNOWN ABOUT SHANOVSKIY'S ACTIVITIES  
URING HIS PRESENT TOUR, HE WAS USED BY THE KGB DURING

AGE 3 WASHINGTON 417866 S E C R E T  
PREVIOUS TOUR (JAN 56 - FEB 58) TO A  
IRANIAN IN THE MINISTRY OF FOREIGN T  
MISSION TRANSLATOR (HE SPEAKS FLUENT I  
IME. ALTHOUGH IT WOULD NOT HAVE B E  
O HAVE CO-OPTED THE SERVICE OF THE I  
VEN IF HE WAS JEWISH, 20 YEARS AGO  
F SOMEONE HE PRESUMABLY HAD NATURAL  
CANT IF HE WAS AGAIN CO-OPTED BY THE  
POSITION. THERE ARE SOME INDICATION  
CHANCE WE MAY BE ABLE TO DEVELOP FUR  
WILL BE INFORMED IF IT APPEARS THAT  
SHAMOVSKIY'S JEWISH ANCESTRY OPERATE

ASSIST IN THE RECRUITMENT OF AN  
TRADE. HE WAS THE SOVIET TRADE  
FARSI AND ENGLISH) AT THE  
EN OVERLY UNUSUAL FOR THE KGB  
TRADE MISSION TRANSLATOR,  
TO AID IN THE RECRUITMENT  
ACCESS TO, IT WOULD BE SIGNIFI  
KGB IN HIS PRESENT HIGH  
S THAT HE WAS, AND THERE IS A  
OTHER INFORMATION. IF SO, YOU  
THE RIS ATTEMPTED TO USE  
ONALLY.

2 FYI ONLY: DESPITE LOSS OF  
AGAINST TARGETS SUCH AS THOSE DESCR  
INTEREST IN ISRAELI LIAISON, AND DES  
AN IRANIAN OPERATIONAL BASE WITH IN  
COMMUNITY THERE, WE ARE INTERESTED  
APPARENT RIS MO FOR OPERATING AGAI  
MENTIONED ABOVE. ANY COMMENTS OR I  
WELCOME THE IRANIAN JEW WHO KOROL  
A PUBLISHER AND RETIRED MINISTER OF  
SERVED AS OUR ACCESS AGENT. SA VAK  
CONTACT WITH KOROL. IN THE COURSE  
EXAMINATION, SDTRAMP/1 SAID HE HAD  
SERVICE, BUT HE DID ADMIT TO HAVING  
A SOLOMAN DYAN, WHOM SUBJECT FELT  
OFFICER. THERE ARE NO OTHER TRACES

LINE  
MUCH OF OUR OPERATIONAL CAPABILITY  
BED ABOVE THAT WOULD BE OF  
PITE THE LATTER'S OWN LOSS OF  
FLIGHT OF THE LARGE JEWISH  
IN LEARNING MORE ABOUT THIS  
ST ISRAEL, AND ABOUT THE SOVIET  
INFO LIAISON MAY HAVE WOULD BE  
SDTRAMP/1,  
INFORMATION OFFICIAL WHO  
ALSO WAS AWARE OF SDTRAMP/1'S  
7S REACTION SGGSWIRL  
NEVER WORKED FOR AN ISRAELI  
A FAIRLY CLOSE RELATIONSHIP WITH  
IRANIAN  
DYAN.

201-025658, 201-086774, RV4 27 MAR 79 DRV D9C BY 032081,  
ALL SECRET

CDS COMMENT: ZEMRAN AD E PER HEADQUARTERS REQUEST  
S E C R E T



E 1200720Z APR 75 STAFF  
CHRAM 52754 (GLIBOROF / ACTI (3)).

DIRECTOR,  
SDTRAM  
DIRECTOR, A12599

SDTRAM/1 (T/1) WAS PAID SALARY/BONUS SUGGESTED PARA ONE REF  
TOTALLED RIALS 120,000. HE WAS MOST APPRECIATIVE.

PARA TWO REF ASSUMPTION IS CORRECT.

T/1 MENTIONED THAT AFTER LONG BREAK IN CONTACT, HE MET YASS  
MOLAY I. KOROL ON 17 APRIL AT DEPUTY PM ENTEZAM'S PRESS BRIEFING

SAID THAT HE WOULD WELCOME A CHANCE TO CHAT PRIVATELY WITH T/1  
SUGGESTED THAT THEY TAKE A STROLL TOGETHER ON KARIM KHAN-E-ZAND  
AT 1600 HRS ON 12 MAY. WILL DISCUSS WITH T/1 AND FOLLOW-UP  
AGREE PRESENT SECURITY SITUATION WILL PERMIT OVERT CONTACT OF  
ATURE.

FILE: REFER. RVN 20 APR 75 DRV D9C.1. ALL SECRET.

27 APR 79

E C R T I 272013Z APR 79 STAFF

THE DIRECTOR 47830.

O: TEHRAN INFO TEL AVIV.

MINTEL SKTOP SOTRAMP

REFS: A. TEHRAN 5254 (NOT REEDED TEL AVIV)  
B. WASHINGTON 417866 (BEING RELAYED TEHRAN)

1. SOVIET MENTIONED REF A IS PDPI (201-0939399), WHO IS PROBABLY A GRU OFFICER. (HOPE TO HAVE HIS RIS AFFILIATION RESOLVED BY SDPBE TEXT.) PARA 2A WITHIN TEAR LINES OF REF B PROVIDES BACKGROUND ON PDPI AND INFO ON HIS CONTACT WITH SOTRAMP PASSED TO ISRAELI LIAISON, AND PARA 2 REF B PROVIDES FURTHER INFO ON PDPI (PDPI ALSO PITCHED STATION OFFICER MILTON B. CLAVEAU (P) IN LATE JULY 77 OFFERING "ALL THE MONEY YOU WANT FOR INFO ON IBER AND AWACS.") SOTRAMP CLAIMS HE VISITED ISRAEL TWICE IN EARLY 70'S AT BEHEST OF SOVIETS ALTHOUGH WE HAVE NO RECORD OF TRIPS HAVING TAKEN PLACE. SOJANUS WHO CONTINUED ROUTINELY DEBRIEF SOTRAMP ON HIS SOVIET CONTACTS EVEN AFTER HE BECAME STATION UNILATERAL ASSET, APPARENTLY APPROVE HIS TRAVEL IN ADVANCE, AND ALLOWED HIM TO KEEP FLARG OF MONEY GIVEN HIM BY THE SOVIETS FOR TRIPS. SOTRAMP STATED OF FIRST TRIP WAS TO ESTABLISH CONTACTS WITH ISRAELI JOURNALISTS WHILE SECOND VISIT WAS TO DEVELOP ACADEMIC CONTACTS.

2. ENCOURAGE STATION INDUCE SOTRAMP TO TAKE UP REGULAR CONTACT WITH PDPI AGAIN, IF THIS AT ALL POSSIBLE WITHIN CONSTRAINTS OF PRESENT SECURITY SITUATION. (WE NOTE THAT PDPI WAS QUITE ACTIVE IN PRE-REVOLUTIONARY PRESS CIRCLES AND AMONG THIRD COUNTRY DIPLOMATS IN PRE-REVOLUTIONARY PERIOD.) REASON FOR CONTACT WITH PDPI IS OF INTEREST, OF COURSE, WHETHER IN WHATEVER CONTEXT GREAT INTEREST BECAUSE HE HAS COVERT ACTION FUNCTIONS AS WELL AS COVERT ACTION ASSET TO HIM. SUGGESTED TO SOTRAMP HE BRIEFED ALONG LINES AND ASKED TO BE ALERT FOR PDPI'S ATTEMPTS TASK HIM W

PAGE 2 DIRECTOR 427810 SECRET

ISRAELI AND COVERT ACTION REQUIREMENTS. WE DEFER TO STATION, HOWEVER, TO DECIDE WHETHER THE OPERATION CAN WITHSTAND SOVIET INVOLVEMENT AT THIS JOINTURE.

J. TEL AVIV. WE WOULD WELCOME LEARNING OF COROLLARY REACTION TO REF. SPECIALLY IF THEY HAD SOMETHING IN PDPI. IS IT POSSIBLE FOR STATION UNILATERALLY TO IDENTIFY SOLOMAN BYAN; POSSIBLY PROCEEDING FROM TELEPHONE DIRECTORY AND ADDRESS CHECKS?

A. FILE # 201-053395, 201-0867764. F W 27APR99 DRV D9C1  
BY [unclear] SECRET.

30 APR 73 15 02

SPECIFIC T 080422 APR 73 STAFF

CITE TEL AVIV 28242

TO: DIRECTOR OF INTELLIGENCE

WNINTEL CONTROL SDTRAMP KKKOROLLAY

REFS: A. WASHINGTON A17866  
B. DIRECTOR 427839

1. REF A STATES THAT IN 1977 PDPI TOOK OVER DEVELOPMENTAL CONTACT WITH SAHEM IFRAKAH WHO THERETOFORE HAD BEEN UTILIZED SOLELY AS A SOURCE OF INFORMATION ON IRANIAN INTERNAL AFFAIRS. IT GOES ON TO DESCRIBE HOW PDPI TRIED TO FORCE SDTRAMP INTO VISITING ISRAEL TO GATHER INFORMATION ON ISRAELI POLICIES AND TO CONTACT FREEDOM PRESS AND FINISHES UP WITH A STATEMENT THAT SDTRAMP NEVER DID ACCEDE TO PDPI'S DEMANDS THAT HE VISIT ISRAEL

2. WE DO NOT UNDERSTAND HOW THAT FITS WITH THE FOLLOWING QUOTE FROM REF B "SDTRAMP CLAIMS HE VISITED ISRAEL TWICE IN EARLY 70'S AT BEHST OF SOVIETS...SDTRAMP STATED PURPOSE OF FIRST TRIP WAS TO ESTABLISH CONTACTS WITH ISRAELI JOURNALISTS, WHILE SECOND WAS TO DEVELOP ACADEMIC CONTACTS

3. BELIEVE THERE GOOD POSSIBILITY THAT IF SDTRAMP VISITED ISRAEL AT BEHST OF SOVIETS, ISRAELI SERVICE ARE AWARE OF IT AND POSSIBLY IN CONTACT WITH HIM. WE FIND OURSELVES IN POSITION OF AGAIN HAVING POSSIBLY DISSEMBLED TO LIAISON AND THERE BEING GOOD CHANCE THAT THEY KNOW IT. WHEN DID SDTRAMP TELL US ABOUT HIS TRIPS TO ISRAEL? IF IT WAS BEFORE REF A WAS WRITTEN, WHY WAS THIS INFO NOT INCLUDED?

4. WE ALSO NOTE THAT APPARENTLY SAVAK KNEW OF SDTRAMP'S ASSOCIATION WITH COMMUNIST AND OF HIS TRIPS TO ISRAEL. THIS FACT DEMONSTRATES THAT ISRAELIS AWARE OF CASE,

REASON STILL... ON REF A, WITHOUT ANY FURTHER... SEEMS TO US UNWISE. AT THIS

PAGE 2 TEL AVIV  
MINT, BELIEVE B  
STRAMP AS UNILA  
TO SHARE HIM WITH  
OTHER SUGGESTIONS  
6. ON MATTER, I  
SOLOMAN DYMAN, IS  
ABOUT HIM IN ADDI  
7. FILE # 201  
DEC. 1 BY 0 8630.  
SIC C R E T

C R E T  
OPEN TO RTI ACTION, WOULD BE TO IDENTIFY  
GIVE THEM ALL THE FAC S AND OFFER  
WOULD, OF COURSE, WELCOME ANY AND ALL  
AVIV STATION UNILATERALLY IDENTIFYING  
ABLE FOR YOU TO TELL US SOMETHING ELSE  
IS NAME? WE HAVE NO CARD TRACE ON HIM.  
201-867764. RVW 30 APR 9, DRV  
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SECRET 2018Z MAY 79 STAFF  
CITE TEHRAN 5296 (GLEBOHOFF ACTING)

TO: PRIORITY WATCH INFO TEL AVIV.  
WINNIE CABLE TEAM

REFS: WASHINGTON - 417368  
M.B. DIRECTOR - 427332  
M.C. TEL AVIV 28242

1. WHILE REVIEWING RANGE OF PAST/PRESENT CONTACTS AND PRIOR TO RECEIPT OF REFS SET ABOVE, (T/I) MENTIONED IN PASSING THAT HIS KNOWLEDGE HAS NEVER BEEN IN TOUCH WITH ISRAELI INTELLIGENCE STATION MEMORY MAY BE FAULTY ON THIS POINT, BUT BELIEVE THAT SCWIL SUPPORTS HIS STATEMENT. WITHOUT ADDITIONAL INFO, STATION NOT PREPARED TO BELIEVE THAT ISRAELIS AWARE OF NATURE OF T/I TRIPS TO ISRAEL OR THAT SAVAK FED ISRAELI OPERATIONAL INFO RE T/I. BELIEVE THAT IN THIS IMPERFECT WORLD, SUBJECT WILL REMAIN A MOOT POINT UNTIL T/I IS DEBRIEFED ON HIS TRIPS IN DETAIL, INCLUDING PAST CONTACTS WITH SOVIETS, RELATIONSHIP WITH SAVAK, ETC. STATION HAS PREPARED TO DO THIS IF HEADQUARTERS BELIEVES THAT AVAILABLE INFO IS INADEQUATE.

2. HOWEVER, REFS AND OPINIONS EXPRESSED RE T/I, SUGGEST ENTIRE PROBLEM CAN BE AVOIDED BY NOT REFERRING TO SOVIET RANGE OF T/I AT ALL. SPECIALLY SINCE WE OURSELVES LACK THE DETAILS. ANY EVENT, T/I OPINIONS SHOULD BE OPPOSED TO SURMISING T/I OPERATIONS TO KKCOROLLY WITHIN VIEW OF HOWING HIM JUDICIALLY. PARA FIVE RE SUGGESTION ONLY POSSIBLE LINE OF COMPLICATION ALREADY DIFFICULT HANDLING SITUATION IN IRAN AND MIGHT ALSO PROVE TO BE SOMETHING OF A DISAPPOINTMENT AS IT IS LIKELY THAT T/I WILL AGREE TO BE UNDER THE CHELL EYE OF ANTI-COMMUNIST KORDA REGIME WHICH NOW IN POWER IN IRAN.

3. FILE REFER WVV 221 991 LV D9C.1. ALL SECRET.

SECRET

OF MIND. PDRx  
MISUNDERSTOOD. MATTER  
PDPI CONTACTS VIRTUALLY TERMINATED

3. AT ABOUT SAME TIME, PDPI TOOK  
SDTRAMP, STATION ASSET WHO HAS BEEN RUN AGAINST  
FOR SOME TIME. THIS FACT, AND PITCH TO C/O, LED TO IDEAS  
OF PDPI AS KNOWN RIS (GRU BASED ON HIS PRIMARY INTEREST IN  
MILITARY MATTERS AND FACT THAT SDTRAMP'S PREVIOUS SOV HANDLERS  
WERE KNOWN GRU).

4. PDPI CONTINUED MEETING WITH SDTRAMP AND URGED  
(LATER DIRECTED) HIM TO TRAVEL TO ISRAEL TO COLLECT INFORMATION,  
SINCE SDTRAMP IS IRANIANJEW. THIS IN TURN LED TO LENGTHY BUT  
UNRELATED EXCHANGE CONCERNING EQUITIES OF REPORTING THIS FACT

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5 OCT 79 6 36Z

SECRET 0852 OCT 79 STAFF

CITT TEL AVIV 83

TO: TEHRAN INQUIRY FOR

WNINTEL INTEL

REF: TEHRAN 543 (NIZ-2759)

1. WITH STAFF CONCURRENCE WISH TO PASS REF ON MISSION OF PASDARAN ISRAELI LIAISON SOURCED TO A RELIABLE SOURCE.

2. NO FILE. RW# OCT 99 DRV DGC.1 ALL SECRET.

SECRET

BT #9783



50c 79 06 37z

S E C R E T 041525Z OCT 79 STAFF

CITE TEL AVIV 29784

TO: TEHRAN INFO DIRECTOR

WMINTEL INTEL

REF: TEHRAN 54335 (NI 0743)

1. WITH STATION CONFERENCE WISH TO PASS REF ON AN AGREEMENT ON RESTRICTIVE INTERPRETATION OF ARTICLE 5 OF LIAISON SOURCED TO "A SOURCE WHOSE BELLABILITY HAS NOT FROM AN INFORMANT."

2. NO FILE. RW 24 OCT 79 DRV D9C.1 ALL SECRET.

S E C R E T

BT  
#9784

4 AUG 79

SECRET 031313Z AUG 79 DEFERRED TELEPOUCH  
CINE WASHINGTON 488214.

TO: TEL AVIV INFO TEHRAN.

FM: NE/ISR INFO NE/IRAN

SUBJECT: WINTEL KKCOMPOUND - TARGETING IRANIAN INTELLIGENCE

REFS: A. TEL AVIV 29103  
B. WASHINGTON 468334

1. REGRET DELAY RESPONDING TO REF. WE WOULD BE INTERESTED IN LEARNING THE NAMES OF THE TWENTY-FIVE MEMBERS OF THE RESEARCH COMMITTEE WHO KKCOMPOUND'S SOURCE CLAIMS TO KNOW. SHOULD KKCOMPOUND DECIDE TO PROVIDE THEM TO US, WE ARE WILLING TO FURNISH TRACES. SHOULD ANY OF THAT NUMBER APPEAR TO HAVE ACCESS AND VULNERABILITIES AND BE ACCESSIBLE TO US BUT NOT TO THEM, WE WOULD BE WILLING TO CONSIDER MOUNTING AN OPERATION AND SHARING THE PRODUCT.

2. CONCERNING PARAGRAPH TWO OF REFERENCE, STATION WAS CORRECT IN DIVERTING LIAISON FROM FOCUSING ON IRANIAN STUDENTS IN THE U.S. AT THIS TIME WE HAVE NO LEADS TO SUSCEPTIBLE IRANIAN STUDENTS IN EUROPE WHO WERE FORMERLY IN THE U.S. IF WE DID, IT IS UNLIKELY WE WOULD NEED KKCOMPOUND'S ASSISTANCE TO EXPLOIT THEM. AS STATED IN REF B, HOWEVER, IF KKCOMPOUND HAS CONTACT WITH POTENTIALLY RECRUITABLE IRANIAN STUDENTS OUTSIDE IRAN AND FOR ONE REASON OR ANOTHER NEEDS OUR ASSISTANCE IN MAKING AN APPROACH, WE WOULD BE WILLING TO REVIEW THE PROPOSAL AND CONSIDER A JOINT OPERATION.

3. FILE: 41-5-17. RVN 2AUG79 DRV D9B.2.  
BT  
#2393

31 AUG 79 03 20z

SECRET 301617Z AUG 79 STAFF

TEL AVIV 29496

TO: DIRECTOR INFO BEIRUT, KUWAIT, MANAMA, ABU DHABI, ADEN, MUSCAT, THERAN.

MINTEL INTEL FGI

1. THE FOLLOWING IS A LIAISON REPORT ON A FATAH REQUEST FOR INFORMATION ON AMERICAN TARGETS IN PERSIAN GULF. IT WAS PASSED TO STATION ON 30 AUGUST 1979 WITH A DOI AUGUST 79--NO SPECIFIC DATE-- AND SOURCED TO AN INDIVIDUAL CLOSE TO PLO CIRCLES IN THE MIDDLE EAST AND RELIABLE.

FATAH HQ DISPATCHED A SECRET REPORT TO ITS REPRESENTATIVES AND HEADS OF OFFICES IN KUWAIT, ABU DHABI AND ADEN, REQUESTING TO PREPARE WELL-TRAINED MEN AND TO OBTAIN INFORMATION ON CENTERS AND OFFICES IN THE PERSIAN GULF CONNECTED WITH THE UNITED STATES SO THAT THEY COULD BE ATTACKED SOON.

2. THE INFORMATION IS BEING MADE AVAILABLE IN THIS FORMAT DUE TO ITS THINNESS.

3. NO FILE. RVW 30 AUG 09, DEV D9B.2 BY 018630. ALL SECRET.

SECRET  
BT  
19496

5 SEP 79

SECRET 1503Z SEP 79 STAFF

CITE DIRECTOR 51427.

TO: TEL AVIV INFO BEHRAM, DAMASCUS, AMMAN, BEIRUT  
INFEL INTEL

INFO: A. TEL AVIV 21565

B. TEL AVIV 20437 (BEING RELAYED BEIRUT)

1. REGARDING THE POSSIBLE TRANSFER BY IRAN OF PRODUCED WEAPONS TO SYRIA AND THE PLO, HQS IS IN THE PROCESS OF DISSEMINATING REF A BUT IS SKEPTICAL ABOUT REF B. FOR THE COMMENTS BELOW ARE FOR STAYLON USE IN DISCUSSIONS LIAISON AND IN SCREENING FUTURE REPORTING ON THIS SUBJECT.

2. FIRST, WE DOUBT SERIOUSLY THAT IRAN IS REALLY CONSIDERING TRANSFERRING ANY OF ITS MAJOR U.S. WEAPONS SUCH AS THOSE LISTED IN REF A, TO ANYONE AT THIS TIME. ALTHOUGH SOME IRANIAN OFFICIALS MAY HAVE MUSED ABOUT THE IDEA, TRANSFERRING ANY WEAPONS NOW WOULD JEOPARDIZE IRAN'S MILITARY SUPPLY RELATIONS WITH THE U.S., SOMETHING WHICH IS BY NO MEANS DEAD. (NOTE THAT THE U.S. ONLY RECENTLY AGREED TO SELL IRAN A FEW MILLION DOLLARS WORTH OF SPARES AND AMMUNITION AT THE IRANIAN GOVERNMENT'S REQUEST.) WE ARE SURE THAT THE ISRAELIS, WITH THEIR EXPERIENCE ON THE U.S. ARMS TRANSFERS, UNDERSTAND THIS.

3. SECONDLY, THE U.S. WOULD ALMOST CERTAINLY NOT APPROVE THE TRANSFER OF ARMS FROM IRAN TO EITHER SYRIA OR THE PLO. EVEN IF IRAN WENT THROUGH AN ILLEGAL CHANNEL TO DO SO, THE INTRODUCTION OF U.S. WEAPONS INTO SYRIAN INVENTORIES COULD WELL BE MORE TROUBLE FOR THE LARGELY SOVIET-SUPPLIED SYRIANS THAN IT WOULD BE WORTH. MOREOVER, THERE ARE INDICATIONS THAT THE SYRIANS ARE AGAIN RECEIVING MASSIVE SOVIET ARMS AT A STEADY RATE, INCLUDING ADVANCED ITEMS SUCH AS T-72 TANKS AND MIG-23 JET AIRCRAFT, WITH WHICH THE SYRIANS WILL HAVE THEIR HANDS FULL.

4. THIRDLY, WE FIND IT ALMOST INCONCEIVABLE THAT THE

PAGE 2 DIRECTOR 344297 S E C R E T  
JORDANIANS, WITH A REQUEST BEFORE CONGRESS FOR UP TO 300  
NEW TANKS AND A LONGSTANDING MILITARY SUPPLY RELATIONSHIP  
WITH THE U.S. AT STAKE, WOULD EVEN CONSIDER MAINTAINING  
EQUIPMENT TRANSFERRED ILLEGALLY TO SYRIA OR THE PALESTINIAN  
ARMY. FINALLY, WE ARE DISTURBED THAT THE ISRAELIS FIND  
REF. REPORT "PLAUSIBLE". INTRIGUING MAYBE, BUT NOT "PLAU  
WE FIND THE SUPPOSITION THAT U.S. SMALL ARMS AND AMMUNITION  
FROM IRAN ARE FINDING THEIR WAY INTO PALESTINIAN HANDS  
"PLAUSIBLE". THE REVOLUTION IN IRAN HAS LOOSENED UP MANY  
THOUSANDS OF SUCH ITEMS WHICH PROBABLY CANNOT BE ACCOUNTED  
FOR. SOME COULD EVEN FIND THEIR WAY THROUGH THE ISRAELIS  
INTO HADDAD'S HANDS. BUT NOT MAJOR END ITEMS.

6. NO FILE. RW 14 SEPT 69 DRV D98.2.

S E C R E T

SECRET 251342Z SEP 79 DEFENSE TELETYPE  
ATTN TELAVIT 29007 SECTION 1 OF 4  
TO: WASHINGTON INFO TEHRAN  
FROM: NEXIS  
SUBJECT: WMINTEL PGI - DISCUSSION ON IRAN

THE FOLLOWING IS A PRELIMINARY REPORT FROM LIAISON ON IRAN  
STABILITY OF THE REGIME WHICH THEY WOULD LIKE TO SERVE AS A BASIS  
FOR A DISCUSSION BETWEEN OUR EXPERTS ON IRAN AND THEIR REPRESENTATIVES  
LIAISON IS INTERESTED IN OUR ANALYSIS OF REACTION AND COMMENTS REGARDING  
THEIR RESPONSE TO THE SPECIFIC QUESTIONS RAISED IN THE REPORT. THE  
ACTUAL ARRANGEMENTS FOR THE DISCUSSION ARE TO BE WORKED OUT IN  
WASHINGTON. ZECOPROUN/16 HAS RECEIVED A REPORT FROM THE  
LIAISON ON IRAN BEGIN TEXT

MAIN POINTS

THE REVOLUTION IN IRAN, WHICH DEPOSED THE SHAH AND BROUGHT  
HOSEINI AND HIS EXTREMIST RELIGIOUS CAMP TO POWER, HAS NOT YET RUN  
ITS COURSE. THE KHOMENI REGIME IS IN THE MIDST OF AN EFFORT TO  
CONSOLIDATE ITS HOLD ON THE GOVERNMENT AND TO INSTITUTIONALIZE THE  
PRINCIPLES OF THE REVOLUTION BY CONSTITUTIONAL MEANS, AND NOW  
EFFICIENT STRONG OPPOSITION HAS ARISEN SO FAR WHICH COULD CHECK  
KHOMENI. THE MOMENTUM OF CONSOLIDATING THE REVOLUTION  
IS CONTINUING, HOWEVER, THE PROCESSES WITH WHICH THE REGIME IS  
STRUGGLING--SUCH AS DIFFICULTIES IN THE FUNCTIONING OF THE GOVERNMENT  
AND ECONOMIC DISRUPTIONS, SEPARATIST FERMENT AND BUDDING DISOBED-  
IENCE AND RESISTANCE EVEN WITHIN THE ARMY--ROSE A THREAT TO THE LONG-  
TERM STABILITY OF THE REGIME. THE FACT THAT KHOMENI IS AN OLD  
FIGHTER IN THE UNCERTAINTY OF THE OUTCOME OF HIS PRESENT EFFORT  
TO ESTABLISH AN ISLAMIC REPUBLIC AND INSTITUTIONALIZE IT.

2 JUL AVIY 2727 S I C E T  
REGARDLESS OF WHETHER THE ANARCHIC GROWTH WHETHER  
THEY ARE CAUSED BY ACTIVITY COMING FROM OUTSIDE (COUNTRY)  
THE FOLLOWING DEVELOPMENTS, WHICH MIGHT BE INTER-LATED, COULD  
FRAM ABOUT A SIGNIFICANT CHANGE:

A) EXACERBATION OF THE POLITICAL STRUGGLE, EITHER OF  
CONFRONTATION WITH THE ORGANIZED LEFT, OR RISK OF  
INCREASING POLITICAL INVOLVEMENT ON THE PART OF THE ARMY AND ESP-  
ECTIALLY KHOMEINI DEPARTS FROM THE SCENE.

B) DETERIORATION OF THE ECONOMIC SITUATION BECAUSE  
OF DISCONTINUES IN THE EXPORT OF OIL AND THE CONSEQUENT DE-  
CREASE IN INCOME DERIVING FROM SUCH EXPORT.

C) AN UPRISING AMONG SEPARATIST ETHNIC MINORITIES,  
ESPECIALLY IF IT OCCURS SIMULTANEOUSLY IN THE ARABISH REGION  
IN THE STRATEGIC PROVINCE OF KHUZESTAN.

3. THIS PAPER SEEKS TO CHARACTERIZE THE PROCESS OF THE COM-  
SOLIDATION OF THE REVOLUTION AND TO ASSESS THE STRENGTH AS WELL AS  
VULNERABILITIES OF THE KHOMEINI REGIME.  
CONSOLIDATION OF THE REGIME

4. A REVOLUTION IN EVERY SENSE OF THE WORD TOOK PLACE IN  
IRAN AT THE BEGINNING OF THE YEAR. NOT ONLY DID THE SHAH'S REGIME  
AND THE ENTIRE SOCIAL-POLITICAL STRUCTURE OVERTURNED AND BROKE AT  
ITS WAKE SIGNIFICANT CHANGES IN THE CULTURAL VALUES ON WHICH  
IRAN SOCIETY OPERATED UNTIL FEBRUARY 1979. THE REVOLUTION HAS  
ALREADY OVERTONES RESULTS AS IT DOES OF THE SUPPORT OF THE MASSES  
THE LOWER CLASSES. THESE WERE THE STRATA OF SOCIETY THAT DID  
NOT ENJOY AND WERE EVEN HURT BY THE STEPPED-UP MODERNIZATION THAT  
KHOMEINI INTRODUCED INTO IRAN. THE SHOE IS NOW ON THE OTHER FOOT  
OF THE HORSE AS THE URBAN MIDDLE CLASSES THAT ARE AT THE MERCY OF THE  
MASSES AND SOMETIMES EVEN THE MOB.

5. THE BANNER OF CHANGE WAS BORNE BY THE HIERARCHY OF  
CLERICAL PAPERS, FROM THE NEIGHBORHOOD MULLAN TO AYATOLLAH  
KHOMEINI AND PERSONALITIES. THE REVOLUTION. SHIRAZ ISLAMIC LAW TAKES  
A REVOLUTIONARY IDEOLOGY WITH ALL ITS POLITICAL, SOCIAL,  
AND ECONOMIC CONTENTS. EXTREMIST RELIGIOUS LEADERS ALONG WITH THE

*A letter to  
Coulter*

PAGE 3 TEL AVIV 290758 Z S E C R  
BAZAR MERCHANTS WHO HAVE A RELIGIOUS ORIENTATION FORM THE EVOLU-  
TIONARY NUCLEUS. AROUND THIS NUCLEUS HAS COALESCED A VARIOUS  
COALITION THAT RANGES FROM SECULAR POLITICIANS HAVING A LIBERAL  
WESTERN ORIENTATION CLOSE TO THAT OF THE MIDDLE CLASS, TO CIRCLES OF  
RADICAL LEFTISTS, COMMUNISTS AND ARMED MARXIST GROUPS. AT THE TIME  
THE TOPPLING OF THE SHAH'S REGIME SERVED AS A COMMON DENOMINATOR FOR  
THESE ELEMENTS. HOWEVER, THIS WAS BASICALLY A UTILITY MAN AND NEGA-  
TIVE COMMON DENOMINATOR AND CONSEQUENTLY A PASSING ONE. ONCE THE  
OBJECTIVE WAS ACHIEVED AND THE SHAH WAS OUSTED, THE HETEROGENEOUS  
COALITION PERMEATED BY INTERNAL IDEOLOGICAL AND SOCIAL ANTAGONISM,  
BEGAN TO DISINTEGRATE. THE RELIGIOUSLY ORIENTED CAMP IS CURRENTLY  
LEADING THE COUNTRY AND SHOWING UNCOMPROMISINGLY TO TURN IRAN  
INTO AN ISLAMIC REPUBLIC.

6. EVER SINCE THE KHOMEINI REGIME CAME TO POWER OVER SEVEN  
MONTHS AGO, IT HAS BEEN TRYING TO CONSOLIDATE ITS RULE AND STRUC-  
TURALIZE THE PRINCIPLES OF THE REVOLUTION. SINCE AUGUST THE  
POLITICAL STRUGGLE IN THE CAPITAL AND ITS OUTSKIRTS HAS EXACERBATED  
WITH THE ZEALOUS POPULAR RELIGIOUS ELEMENT LED BY KHOMEINI, HAS  
TOUGH MEASURES TO SUPPRESS ITS ACTUAL AND POTENTIAL RIVALRY. WE  
STRIVING TO ACHIEVE ABSOLUTE CONTROL OVER THE POLITICAL STRUGGLE  
IN REACTION TO A RATHER LIMITED SURGE IN CRITICISM AGAINST THE  
UNREST. KHOMEINI BEGAN A CAMPAIGN TO CONSOLIDATE HIS POLITICAL  
HOLD, TO NEUTRALIZE THE CRITICISM OF THE OPPOSITION AND TO REDUCE  
THE STRENGTH OF THE POLITICAL GROUPINGS OF THE SECULAR CAMP IN  
THE CENTER AND LEFT OF IT. IN THE FRAMEWORK OF THIS CAMPAIGN, ALL  
NEWSPAPERS THAT WROTE AGAINST THE ISLAMIC REVOLUTION AND THAT  
VICIALIZED THE REGIME WERE BANNED; THE HEADQUARTERS OF THE LEFTIST  
GROUPS--THE MUJAHIDIN, AL-KHALQ, THE FARAYIN AL-KHALQ AND THE  
GROUPS WERE SHUT DOWN, AND THE DEMONSTRATIONS OF THEIR SUPPORTERS  
VIOLENTLY DISPERSED BY ARMED EXTREMIST MUSLEMS. AT THE SAME  
TIME (IN MID-AUGUST) KHOMEINI BEGAN A GENERAL OFFENSIVE AGAINST  
THE KURDISH STRONGHOLDS. THAT OFFENSIVE REACHED ITS CLIMAX, AND  
ITS SUCCESS FOR THE TIME BEING, WITH THE CAPTURE OF ALL THE KEY KURDISH

7. IN ADDITION TO HIS SUCCESS IN ATTAINING THE MAIN OBJECTIVE  
OFFENSIVE AGAINST THE KURDS, KHOMEINI ALSO ACHIEVED OTHER  
SUCCESS THE CONSOLIDATION OF A NATIONAL CONSENSUS AROUND



PAGE 4 TELAVI 2000? S E C R E T ?  
... FOR THE FIRST TIME THE... EVEN THOUGH...  
... OF THE ARMY IN COORDINATION WITH THE...  
... AT THE SAME TIME HE APPOINTED HIMSELF SUPREME COUNCIL...  
... MORE IMPORTANTLY HE MANAGED TO CONVINCE THE COUNCIL OF...  
... WHICH IS SUPPOSED TO HAVE THE WAY FOR THE SETTING UP OF...  
... GOVERNMENTAL STRUCTURE. THE STRUGGLE OVER THE...  
... CONSTITUTION WHICH IS NOW BEING CONDUCTED IN THE...  
... AS FUNDAMENTAL AND PERHAPS THE MOST IMPORTANT...  
... CONSOLIDATING THE REVOLUTION. THE COUNCIL IS CURRENTLY...  
... INTO EXTREMIST RELIGIOUS LEADERS WHO FAVOR AN...  
... IN THE SPIRIT OF THE KORAN AND HAVE APPARENTLY...  
... AND MODERATES WHO SUPPORT A MORE FLEXIBLE CONSTITUTION...  
... WILL GIVE ROOM FOR OTHER POLITICAL FORCES ACTIVE ON THE...  
... SCENE. KHOMENI REGARDS THIS STRUGGLE AS HIS ACID TEST...  
... HIS STRUGGLE, MORE THAN ANYTHING ELSE, WILL INDICATE...  
... HIS EXTREMIST RELIGIOUS AND KENOSIC CONCEPTS...  
... TAKEN ROOT IN THE COUNTRY.  
... STRENGTHS AND WEAKNESSES OF THE REGIME

5. AT THIS STAGE THE REGIME'S STRENGTH LIES IN THE FOLLOWING

A) KHOMENI'S PERSONALITY AND THE MOMENTUM OF THE REVOLUTION - THIS MOMENTUM RESTS ON BOTH KHOMENI'S DOMINANT-PHARISMAIC PERSONALITY AND THE REVOLUTIONARY RELIGIOUS ESTABLISHMENT ORGANIZED AS A HIERARCHY FROM THE LEVEL OF LOCAL COMMITTEES TO THE REVOLUTIONARY COUNCIL. THESE ARE CAPABLE OF MOBILIZING THE MASSES, ESPECIALLY AMONG THE URBAN POPULATION, AND CAN RELY ON ENTHUSIASTIC SUPPORT. DESPITE THE FACT THAT REVOLUTIONARY ENTHUSIASM IS PETERING OUT AS THE MEMORY OF THE SHAH'S DEPOSITION BECOMES VAGUE, KHOMENI IS STILL CAPABLE OF RALLYING HUNDREDS OF THOUSANDS OF SUPPORTERS. HIS DEMONSTRABLE ABILITY TO MOBILIZE THE MASSES MAKES FOR THE LEGITIMACY AND PRESENT STABILITY OF THE REGIME. SHOULD KHOMENI MANAGE TO PUSE THROUGH A CONSTITUTION THAT IS NOT IN CONFORMITY WITH HIS THINKING, THE REGIME WILL THEN DERIVE LEGITIMACY NOT ONLY FROM THE SUPPORT OF THE MASSES, BUT FOR THE FIRST TIME FROM A LEGISLATIVE BODY.

B) TRANSCENDENCE OF THE REGIME ALONGSIDE PRAGMATIC ATTITUDE, LACK OF COMPROMISE, CONFERENCE AND ALLURENCE TO THE STRUGGLE TYPIFY KHOMENI'S STYLE BEFORE THE REVOLUTION.

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ATION IS WELL AS EMPLOYER, ALTHOUGH THE RESPONSIBILITY WHICH  
WITH POWER SHOULD OBTAIN, ALTHOUGH THE RESPONSIBILITY WHICH  
INDICATED BY DEVELOPMENTS IN AUGUST, THE ADVANTAGE OF WORK  
ISING IS THAT HE IS UNFETTERED. HE TOOK SWIFT STEPS TO  
THE SECULAR POLITICAL OPPOSITION AND THE REBELLIOUS ARMS  
LACK OF COMPROMISE COULD HAVE BEEN A HANDICAP WERE IT NOT FOR  
STREAKS OF PRAGMATISM DISPLAYED BY HIS CABINET MEMBERS  
PARTICULARLY BAZARGAN AND AZIZI AND SOMETIMES EVEN KHOMEINI  
IN HANDLING DOMESTIC POLICY AND MAINLY FOREIGN POLICY. FOR  
MATIM COULD DO MUCH TO IMPROVE IRAN'S REVOLUTIONARY POLICY AND  
WIN THE COUNTRY FRIENDS. KHOMEINI ALSO HAS CLOSE AIDS AND  
MEMBERS OF THE REVOLUTIONARY COUNCIL WHO ARE CAPABLE, AND A WELL  
AN EDUCATION AND THUS ADD TO THE GREAT AUTHORITY ENJOYED BY THE  
COUNCIL.

(C) LACK OF ORGANIZED OPPOSITION - KHOMEINI'S REGIME,  
TO CERTAIN EXTENT, DERIVES BENEFIT FROM THE VACUUM THAT EXISTS  
HE HAS NOT YET GOT AN ORGANIZED OPPOSITION TO CHALLENGE HIS  
MOST OF THE PREVIOUS OPPOSITION IS NOW IN POWER AND THE PREVIOUS  
REGIME DID NOT TURN INTO AN OPPOSITION BECAUSE IT WAS CHASING  
OF THE COUNTRY. ELEMENTS RECENTLY OPPOSING KHOMEINI, SUCH AS  
LEFT AND ARMED GROUPS, ARE NOT UNITED AND HAVE TURNED INTO AN  
OPPOSITION NOT BY THEIR OWN CHOICE BUT AS A RESULT OF KHOMEINI'S  
SUPPRESSIVE MEASURES RATHER THAN BECAUSE THEY WROTE TO CHALLENGE  
THE REGIME. FIGURES LIKE SHARIATMADANI AND MATINDAFARI MAY NOW  
FREE WITH KHOMEINI'S POLICIES BUT THEY ARE NOT CAPABLE OF FORMING  
POPULAR MOVEMENT THAT WOULD BE A REAL COUNTERWEIGHT TO HIS  
TIME. FURTHERMORE, THE FACT THAT THE ARMY, AFTER BEING PURGED,  
SUPPORTS THE REGIME AND THE REVOLUTION (ALTHOUGH FAR FROM UNRESERVED)  
(D) HELPS KHOMEINI AS DOES THE FACT THAT THE ARMY IS STILL  
RELATIVELY WEAK.

(E) OIL REVENUES. THE CONTINUED REVENUES FROM OIL  
(MORE THAN \$22 BILLION PER YEAR) ARE A BOON TO THE IRANIAN  
AND EASILY COMPENSATE FOR THE ECONOMIC DIFFICULTIES WHICH  
CAUSED BY THE REVOLUTION. THE KHOMEINI REGIME FUNCTIONS  
THE FEELING OF FINANCIAL CONSTRAINTS, AND IT IS IN THE  
POWER TO FINANCE ITS VARIOUS EXPENSES WITHOUT NECESSARILY  
TO REHABILITATE THE ECONOMY. THE ECONOMIC PROBLEMS ARISING  
ECONOMY, THUS CUSHIONED BY THE OIL REVENUES, DO NOT APPEAR

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THEIR FUD, SERIOUSNESS AND DAILY LIFE RATES  
A NORMAL PACE, FIRST AND FOREMOST BECAUSE  
OIL EXPORTS.

A) WESTERN AND REGIONAL INTEREST IN IRAN  
WHOM BENEFIT FROM THE WEST'S DEEP INTEREST  
AND TO FEAR THAT IN A TIME OF UNREST THE COUNTRY  
LEFTWING. INSTABILITY COULD ALSO DISRUPT OIL EXPORTS  
AS WITH THE WESTERN COUNTRIES, PARTICULARLY THE U.S.  
OBVIOUSLY LIKE TO PREVENT THE INTEREST OF THESE COUNTRIES  
STABILIZING THE SITUATION IN IRAN LED THEM TO ACCEPT  
SCHEME, AND EVEN TO BE INTERESTED IN THAT REGIME'S  
BROWER, SINCE THE GULF COUNTRIES, WHO WERE DEEPLY  
THE SHAH'S COLLAPSE AND WHO FEAR THE RETURN OF INSTABILITY  
INTERESTED IN TOWING DOWN IRAN'S REVOLUTIONARY REGIME,  
COMPLETELY PREVENTING ITS EXPORT, THEY ARE ALSO LOOKING  
MODUS VIVENDI OF SORTS WITH THE REGIME IN IRAN. THIS MAY  
THREATEN IRAQ AS WELL. THE REVOLUTIONARY REGIME THEREFORE  
FROM THE FACT THAT THERE IS NO REGIONAL OR WESTERN ELEMENT  
WOULD WANT TO SEE IT FALL. ON THE CONTRARY, SOME WESTERN COUNTRIES  
IN COURT IRAN IN THE HOPE THAT THEY CAN RECONSOLIDATE THEIR  
POSITIONS, SO AS TO ADVANCE THEIR ECONOMIC AND COMMERCIAL INTERESTS.

9 AGAINST THIS THERE ARE ACTUAL OR POTENTIAL WEAK POINTS AND  
VULNERABILITIES WHICH MAY ENDANGER THE REGIME. PROMINENT AMONG  
THESE ARE THE FOLLOWING:

A) BREAKDOWN OF THE REVOLUTIONARY COALITION AND THE  
WORKING UP PROCESS - AS SOON AS THE GOAL OF THE OVERTHROW OF THE  
SHAH WAS REACHED, THERE BEGAN A PROCESS OF DISINTEGRATION IN THE  
BROAD PROVISIONAL COALITION WHICH HAD UNITED TO ACHIEVE THE GOAL  
THIS PROCESS OF DISINTEGRATION HAS NOT YET LED TO THE EMERGENCE OF  
ANY DEFINED, UNITED AND ORGANIZED OPPOSITION, SUCH A SITUATION WHICH  
IS FAVORABLE TO THE REGIME. HOWEVER, THE PROCESS IS REFLECTED IN  
THE SEVERITY OF THE STRUGGLE AROUND THE CONSTITUTION, AND  
POLARIZATION IN PRINCIPLE WHICH IS BEGINNING TO SHOW UP  
BETWEEN THOSE WHO WANT TO RADICAL RELIGIOUS STATE AND THOSE WHO WANT  
TO MAINTAIN PLURALISM. THE FACT THAT DISPOSITION TO KHOMENI'S REGIME  
THE INCREASE ACTS AS A CONSTRAINT ON HIM. SANJABI BOYCOTTED  
POSITIONS TO THE COUNCIL OF EXPERTS, THE LEFT IS BEING PERSECUTED.

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AND THE LEFTIST ARMED GROUP FOUND FACT THAT...  
MILITIAS WHICH ANSWER TO (HOMI...)  
CED IN YEARS ADDS AN ELEMENT OF...  
WILL BE LEFT OF THE RELIGIOUS...  
MANY MANIFESTATIONS OF THE SOBER...  
MARIUS SECTORS AND EVEN EXPRESSION...  
THE URBAN POPULATION AND NUMEROUS...  
OTHER HAND, PARADOXICALLY ENOUGH IT...  
BY THE COUNTRY THOUSANDS EACH WEEK...  
DISSATISFACTION OR INCOMPATIBILITY, WHICH...  
RES... THAT IT DEPLETED THE RANKS OF THE...  
SHORTCOMINGS OF GOVERNMENTAL CONTROL...  
ADAPT... MEASURES. FROM THE BEGINNING...  
UNDER DUAL CONTROL, TORN BETWEEN THE...  
COUNCIL, AND THIS DETRACTED FROM ITS...  
FILE AT THE SAME TIME THE SIGNS OF...  
RESULTED FROM THE REVOLUTION REMAINED...  
HAD TO SEEK THE APPROVAL OF THE...  
AND ON MORE THAN ONE OCCASION FOUND...  
IN ANY EVENT THERE IS STILL NO...  
EFFECTIVELY PUT INTO OPERATION THE...  
SECTIONS OF THE ADMINISTRATION...  
EXTENT REVOLUTIONARY... THE ECONOMY...  
VARIOUS SECTORS THAT ACCEPT THE...  
AND THEY DO NOT ACCEPT THE...  
TION. RECENTLY KHOMEINI TRIED TO...  
GLUTINIOUS COUNCIL TO THE GOVERNMENT...  
ING HIS OWN PEOPLE... ABOUT THE...  
THIS SITUATION BROUGHT INSTANCES...  
RAGE AND CHAOS, AN AWARENESS OF...  
POSSIBLE THAT THE... TO TAKE...  
THE NEED TO DISREGARD... AND VIOLATION...  
THE VERY NEED TO... SUCH STEPS...  
CORRELATED WITH THE... WOULD EVEN...  
THE... WEAKNESS OF THE  
PARAMOUNT MINORITIES WHO...  
2)

... 29707 S E C 2 ... ENLARGED MINOR  
CENTRAL GOVERNMENT. THE SEPARATIST TENDENCIES AND DEMANDS  
IRAN SUCH AS THE KURDS, ARABS, TURK MOUNTAINS AND  
DEMANDS FOR AUTONOMY OF VARIOUS DEGREES ARE FAT TO THE  
CENTRAL GOVERNMENT IS WEAK. CONSTITUTIONAL RIGHTS RES-  
TEGITY OF THE STATE. THIS PERTAINS BECAUSE ARABS  
THE REGIME'S CONSTANT ATTENTION. THE ARABS  
KURDISTAN AND THE KURDISH REBELLIONS HAVE BEEN  
ACTIVITY OF THE REGIME IN SUPPRESSING SE-  
THE REGIME HAS SO FAR SUCCEEDED IN SUPPRESSING SE-  
KURDISTAN AND IN CONTAINING THEM, IT WILL HAVE TO  
OWN FORCES AND RESOURCES IN ORDER TO PREVENT  
WHAT COULD BE EVEN MORE SERIOUS. THE INCITEMENT  
THEY MAY SO BE A PREFERRED OPTION IF AND WHEN IRAN  
DECIDE TO GO AGAINST THEM.

D) ECONOMIC WEAKNESS AND VULNERABILITY OF THE OIL  
SECTOR. THE EVENTS OF THE REVOLUTION BROUGHT WITH THEM  
ECONOMIC DISRUPTIONS. ABOUT THREE MILLION PEOPLE ARE UNEMPLOYED  
MAY CONSTITUTE A SOCIO-POLITICAL PROBLEM. VARIOUS PLANNING  
PARTICULARLY IN INDUSTRY AND CONSTRUCTION SECTOR ARE WORKING  
DO NOT FULL CAPACITY. THE ECONOMIC-FINANCIAL SYSTEM IS DEFECTIVE  
ALTHOUGH THERE IS EVIDENCE OF A SLOW PROCESS OF RECONSTRUCTION.  
SOME SEVERELY DAMAGED AND THE STATE HAD TO IMPORT LARGE QUANTITIES  
OF GOODS. THE EXPORT OF OIL IS A SOURCE OF IRAN'S ECONOMIC STRENGTH  
AT THIS STAGE, OFFSETS THE UPHEAVALS IN THE ECONOMY. HOW-  
EVER, IT IS A POINT OF ACUTE STRATEGIC VULNERABILITY. MOST OF THE  
OIL FIELDS ARE LOCATED IN KURDISTAN WHERE THERE IS SEPARATIST FER-  
OCITY AND A POTENTIAL THREAT FROM NEIGHBORING IRAQ AND EFFECTIVELY  
NATIONALIZED UNIONS WITH LEFTIST ORIENTATION. IN THE PAST MONTHS THE  
PRODUCTION OF OIL HAS BEEN DISRUPTED AND SLOWED DOWN. ANY FUTURE  
REDUCTION IN EXPORTATION OF OIL, DUE TO A STOPPAGE OF WORK OR  
DAMAGE TO THE INSTALLATIONS, COULD BRING ABOUT A DETERIORATION  
OF THE TOTAL GDP. OF THE IRANIAN ECONOMY WITHIN A RELATIVELY  
SHORT PERIOD OF TIME. THIS MAY BE THE MOST DANGEROUS OF THE POTENTIAL  
THREATS THE REGIME HAS TO COPE WITH.

INTERNAL AND EXTERNAL OPPOSITION. THE  
FORMATION OF A GOVERNMENT WHICH OUSTED THE SHAH MAY BRING  
THE REGIME TO AN ELEMENTARY BUT YET BECOME AN EFFECTIVE  
THE SUPPRESSION OF THE TUDER  
THE PRESENT REGIME

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AND THE ARMED LEFTIST GROUPS HAS WILL NOT TURN THE  
SITION ELEMENTS, AND THEY ARE PROBABLY THE MOST ORGANIZED  
ACTIVITY. FACTIONS OF THE RELIGIOUS PARTIES AND OTHER SEC  
TIES MAY FIND THEMSELVES FORMING COMMON FRONT IF THEY ARE  
INTO SUCH A POSITION BY ACTS OF REPRESSION. REGIMENTS  
GRUMBLINGS BY ARMY PERSONNEL, WHETHER IN POSSIBLE TO THE CASE  
CARRIED OUT BY THE REVOLUTIONARY GUARDS OR AGAINST THE BAC PROO  
OF THEIR MISSION TO PUT DOWN THE KURDISH REBELS. SHOULD SO  
WORRY THE REGIME. RECENTLY AN OPPOSITION IN EXISTENCE ALSO MUN  
TO CRYSTALLIZE WITH BAKHTIAN AT ITS HEAD. EVEN IF THE FAR TH  
ARE NO SIGNS TO THE EFFECT THAT ALL THESE ELEMENTS HAVE SUPP  
JOINING UP INTO A BROAD FRONT, MUCH LESS THAT THEY HAVE CONTIN  
OF THE MASSES. IT IS DIFFICULT TO BELIEVE THE KHOMEINI CONTIN  
TO ENJOY, BY DEFAULT, THE LACK OF ANY ORGANIZED OPPOSITION  
REGIME. THE ARMY, THOUGH STILL IN DISARRAY, IS POTENTIALLY  
STRONGEST ELEMENT IN THE POLITICAL ARMY. HERE ALSO THERE  
BEEF SIGNS OF CRITICISM AND DISSIDENCE. THERE IS NO DOUBT  
LINK UP BETWEEN ELEMENTS POTENTIALLY IN OPPOSITION TO KHOMEINI  
THE ARMY AND THE OTHER OPPOSITION GROUPS COULD ENDANGER THE REGIM  
IN ANY EVENT IT IS DIFFICULT TO SEE THE ARMY AS A BODY WHICH W  
BE UNRESERVEDLY LOYAL TOWARD KHOMEINI AND HIS PART OVER A LONG  
PERIOD OF TIME. FORGAN ARE ALSO WORTH WATCHING.  
ORGANIZATION.

EXTERNAL THREATS - SOVIET UNION, IRAQ. IT IS POSSIBLE THAT  
KHOMEINI WILL DRIFT INTO A COLLISION COURSE IN THE RELATIONS WITH  
THE SOVIET UNION AND/OR THE OTHER COUNTRIES IN THE AREA. THE STATE  
MENTS OF RELIGIOUS LEADERS IN FAVOR OF THE VARIOUS SHIITE MINORITIES  
OUTSIDE IRAN HAVE ALREADY SET A FEW GULF COUNTRIES, INCLUDING IRAQ,  
AGAINST HER. HOWEVER, AS YET THERE STILL SEEMS TO BE MUTUAL IRANIAN  
INTEREST NOT TO LET THEIR RELATIONS DETERIORATE.  
SAME GOES FOR THE SOVIET UNION, WHO HAS UNTIL RECENTLY RESTRAINE  
POLICY WITH REGARD TO THE SUPPRESSION OF THE JUDEH AND KHOMEINI'S  
SOVIET LINE. IT IS OF NOTE THAT THE SOVIET UNION, HAVING A  
SILENT ISLAMIC POLICY. RECENTLY MOSCOW BEGAN REVEALING HER  
REGARDING THE IRANIAN REGIME, ESPECIALLY WHEN SHE  
IRANIAN U.S. GOVT HAD SUPPORT TO THE KURDISH  
WHICH PUBLICLY STATED THAT IT WAS WITHIN HER POWER TO  
THAT SHE SIGNALLED



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DECLINE IN OIL EXPORTS AND CONSEQUENTLY IN REVENUE  
DEVELOPMENT WOULD SEVERELY UNDERMINE ANY SUPPORT WHICH THE  
AT PRESENT ENJOYS FROM THE URBAN SECTOR.

C) SIMULTANEOUS REBELLION OF THE MINORITIES, ESPECIALLY  
IF IT OCCURS IN AFGHANISTAN AND KHUZESTAN. UNDER SUCH CIRCUMSTANCES  
THERE COULD ALSO BE AN ECONOMIC DETERIORATION AS DESCRIBED.

12. AT PRESENT THE STRENGTHS OF THE KHOMEINI REGIME OUTWEIGH  
ITS WEAKNESSES, AND THERE IS NO IMMEDIATE DANGER THAT THE REGIME  
MIGHT RAPIDLY LOSE THE RELATIVE STABILITY WHICH IT HAS ACHIEVED.  
HOWEVER, THE CONSOLIDATION OF THE REVOLUTION IS FAR FROM BEING COM-  
PLETE AND IN MORE THAN ONE WAY IT IS IN A RACE AGAINST TIME. SOME  
OF THE THREATS TO THE REGIME COULD AFFECT IT IF IT WILL NOT FURTHER  
CONSOLIDATE ITS HOLD ON THE GOVERNMENT. SHOULD THESE ABOVE MENTIONED  
DEVELOPMENTS COME TO PASS, OR EVEN IF THERE SHOULD BE A DETERIORATION  
TOWARDS THEM, CHAOS COULD RETURN, IN THE COURSE OF WHICH THE MAIN  
POLITICAL FORCES WILL PROBABLY ENGAGE IN A BATTLE FOR CONTROL.  
SUCH A SITUATION, IT CAN BE ASSUMED, WILL ALERT THE BIG POWERS, EVEN  
IF THEY DO NOT ACTUALLY BECOME INVOLVED. WHILE IT IS IMPOSSIBLE TO  
PREDICT HOW SUCH A STRUGGLE, IF AND WHEN IT DEVELOPS, WILL END, THERE  
IS NO DOUBT THAT JUST AS IN THE TWILIGHT OF THE SHAH'S REGIME,  
THE ARMY WILL BY ACTION, OR INACTION, PLAY AN IMPORTANT ROLE.

### 3. MAIN POINTS FOR DISCUSSION

(1) DETAILS ON THE DEBATE IN THE COUNCIL OF EXPERTS  
REGARDING THE CONSTITUTION; POSITIONS TAKEN, LEADING FIGURES,  
GENERAL LINE OF OPINION.

(2) EXTENT OF SUPPORT FOR THE REGIME WITHIN THE ARMED  
FORCES AND EXTENT OF DISSATISFACTION WITHIN THE ARMED FORCES.

(3) THE STRENGTH OF THE OPPOSITION GROUPS; THE LEFT,  
THE STRONG TIES WITH THE USSR, THE SOVIET ROLE, THE MUJAHIDIN EL  
MANSOURI, THE STRENGTH AND POTENTIAL OF OPPOSITION

(4) THE STRENGTH OF UNREST AMONG LOCAL CLANS.  
KHAZESTAN.